IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached information memorandum. In accessing the attached information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the notes, investors must not be located in the United States ("**U.S.**") or a U.S. person (within the meaning of Regulation S under the Securities Act (as defined below)). The attached information memorandum is being sent at your request and by accepting the e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the United States nor a U.S. person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") nor are you acting on behalf of a U.S. person, the e-mail address that you gave us and to which the e-mail has been delivered is not located in the United States and, to the extent you purchase the notes described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting the e-mail and accessing the attached information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA, a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person to whom an offer is being made pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore and (B) agree to be bound by the limitations and restrictions described therein.

The attached information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Raffles Medical Group Ltd (the "**Issuer**") as issuer of the Notes, DBS Bank Ltd. or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the information memorandum distributed to you in electronic format and the hard copy version. We will provide a hard copy version to you upon request.

Restrictions: The attached information memorandum is being furnished in connection with an offering of notes exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the subscription for or purchase of the notes described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE NOTES WHICH ARE IN BEARER FORM ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE NOTES MAY NOT BE OFFERED, SOLD OR (IN THE CASE OF NOTES IN BEARER FORM) DELIVERED WITHIN THE UNITED STATES TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT, AND IN CERTAIN CASES, ONLY TO NON-U.S. PERSONS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission or in the attached information memorandum constitutes an offer or an invitation by or on behalf of the Issuer or DBS Bank Ltd. to subscribe for or purchase any of the notes described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering of notes do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering of notes be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering of notes shall be deemed to be made by the dealers or such affiliate on behalf of the Issuer in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession the attached information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the notes described therein.**

Actions that You May Not Take: If you receive the attached information memorandum by e-mail, you should not reply by e-mail, and you may not purchase any notes by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive the attached information memorandum by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

INFORMATION MEMORANDUM DATED 30 JULY 2022

RafflesMedicalGroup

(Constituted in the Republic of Singapore)

Raffles Medical Group Ltd

(Incorporated in the Republic of Singapore on 16 May 1989)
(UEN/Company Registration No. 198901967K)

S$1,000,000,000
Multicurrency Medium Term Notes Programme
(the "Programme")

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") to be issued from time to time by Raffles Medical Group Ltd, pursuant to the Programme may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased in reliance of an exemption under Section 274 or 275 of the SFA, the Notes shall not be sold within the period of six (6) months from the date of the initial acquisition of the Notes, except to any of the following persons:

(i) an institutional investor (as defined in Section 4A of the SFA);

(ii) a relevant person (as defined in Section 275(2) of the SFA); or

(iii) any person pursuant to an offer referred to in Section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person as defined in Section 275(2) of the SFA, or (in the case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(c)(ii) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(c)(ii) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and the quotation of any Notes that may be issued pursuant to the Programme which are agreed at or prior to the time of issue thereof to be so listed on the Official List of the SGX-ST. In addition, at the relevant time of issue of the Notes which are agreed at or prior to the time of issue to be listed on the Official List of the SGX-ST, a separate application will be made to the SGX-ST for permission to deal in, and for the listing and quotation of, such Notes on the Official List of the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the SGX-ST for permission to deal in, and for the listing and quotation of, the Notes of any Series will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval in-principle from the SGX-ST, admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer and its subsidiaries (as defined herein) and associated companies (if any), the Programme or such Notes.

Potential investors should pay attention to the risk factors and considerations set out in the section titled "*Risk Factors*".

Arranger

DBS

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NOTICE

DBS Bank Ltd. (the "**Arranger**") has been authorised by Raffles Medical Group Ltd (the "**Issuer**") to arrange the S$1,000,000,000 Multicurrency Medium Term Notes Programme (the "**Programme**") described herein. Under the Programme, subject to compliance with all relevant laws, regulations and directives, Notes (as defined herein) may be issued by the Issuer from time to time denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, its subsidiaries and associated companies (if any), the Programme and the Notes. The Issuer confirms that this Information Memorandum contains all information which is material in the context of the Programme, the issue and offering of the Notes and the information in this Information Memorandum is true and accurate in all material respects, the opinions, expectations and intentions expressed in the Information Memorandum have been carefully considered and there are no other facts the omission of which in the context of the Programme and the issue and offering of the Notes would or might make any such information or expressions of opinion, expectation or intention (if any) of the Issuer misleading in any material respect.

Notes may be issued in Series (as defined herein) having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section "*Summary of the Programme*")) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each Series may be issued in one or more Tranches (as defined herein) on the same or different issue dates. The Notes will be issued in bearer form or registered form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Note (as defined herein) in bearer form or a Permanent Global Note (as defined herein) in bearer form or a registered Global Certificate (as defined herein) which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP (as defined herein) or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**") or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). To the extent that any Series or Tranche of Notes are to be deposited with a clearing system other than CDP, Euroclear or Clearstream relevant documentation will be entered into with relevant parties and the appointment of additional agents will be made prior to the issuance of such Notes to effect the deposit of such Notes with the relevant clearing system. Interests in a Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note or Definitive Notes (as indicated in the applicable Pricing Supplement (as defined herein)) on or after the date 40 days after the later of the commencement of the offering and the relevant issue date, upon certification as to non-U.S. beneficial ownership. Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement issued in relation to each Series or Tranche of Notes (the "**Redemption Amount**"). Details applicable to each Series or Tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding (as defined in the Trust Deed referred to herein) shall be S$1,000,000,000 (or its equivalent in any other currencies) or such higher amount as may be determined pursuant to the terms and upon the conditions set out in the Programme Agreement (as defined herein).

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Trustee (as defined herein), any of the Agents (as defined herein), the Arranger or any of the Dealers. The delivery or dissemination of this Information Memorandum at any time after the date of this Information Memorandum does not imply that the information contained in this Information Memorandum or any part of this Information Memorandum is correct at any time after such date. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or any of its subsidiaries and associated companies (if any), the Trustee, any of the Agents, the Arranger or any of the Dealers.

Neither this Information Memorandum nor any other document or information (or any part thereof) which may be delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Trustee, any of the Agents, the Arranger or any of the Dealers to subscribe for or purchase, any of the Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum (or any part thereof) or any such other document or information and the offer of the Notes in certain jurisdictions may be prohibited or restricted by law. Persons who distribute or publish this Information Memorandum (or any part thereof) or any such other document or information or into whose possession this Information Memorandum (or any part thereof) or any such other document or information comes are required to inform themselves about and to observe any such prohibitions and restrictions and all applicable laws, orders, rules and regulations.

The Notes have not been, and will not be, registered under the Securities Act (as defined herein) or with any securities regulatory authority of any state or other jurisdiction of the United States and Notes may include Bearer Notes that are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. Registered Notes are subject to certain restrictions on transfer. See the section titled "*Subscription, Purchase and Distribution*" of this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) which may be delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Trustee, any of the Agents, the Arranger or any of the Dealers to subscribe for, or purchase, any of the Notes.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealers of the Notes from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by the relevant Dealers as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof (including copies thereof) in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Notes shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or any of its subsidiaries or associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Trustee, the Agents, the Arranger and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Issuer, the Trustee, any of the Agents, the Arranger, any of the Dealers or any of their respective officers, employees or agents is making any representation, warranty or undertaking express or implied as to the merits of the Notes or the subscription for, purchase or acquisition thereof, the creditworthiness, prospects, financial condition or otherwise of the Issuer or its subsidiaries or associated companies (if any). Further, none of the Trustee, the Agents, the Arranger and the Dealers makes any representation, warranty or undertaking express or implied and no responsibility or liability is accepted by the Trustee, any of the Agents, the Arranger or any of the Dealers or any of their respective officers, employees or agents as to the Issuer or its subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and/or the documents which are referred to or incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Trustee, any of the Agents, the Arranger or any of the Dealers or their respective subsidiaries or associated companies (if any) that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Notes. A prospective purchaser and/or subscriber shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer and its subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer and its subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Issuer, the Trustee, any of the Agents, the Arranger or any of the Dealers nor any of their respective officers, employees or agents shall be held responsible or liable for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Notes by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, none of the Trustee, any of the Agents, the Arranger or any of the Dealers accepts any responsibility for the contents of this Information Memorandum or for any other statement made or purported to be made by the Trustee, any of the Agents, either of the Arranger or any of the Dealers or on its behalf in connection with the Issuer, the Group (as defined herein), the Programme or the issue and offering of the Notes. The Trustee, each Agent, the Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

In connection with the issue of any Tranche of Notes, the Dealer(s) acting as Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the pricing supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports, audited consolidated accounts and/or publicly announced unaudited interim results or published financial statements (if available) of the Issuer and its subsidiaries and associated companies (if any), taken as a whole from time to time, and (2) any supplement or amendment to this Information Memorandum issued by the Issuer (including each relevant Pricing Supplement). This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any Series or Tranche of Notes, any Pricing Supplement in respect of such Series or Tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference in this Information Memorandum are available on the website of the SGX-ST at https://www.sgx.com/.

Copies of all documents deemed incorporated by reference herein are available for inspection during usual office hours with prior notice at the specified office of the Issuing and Paying Agent (as defined herein).

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement and the issue of the Notes by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Trustee, any of the Agents, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The distribution of this Information Memorandum and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Notes set out under the section titled "*Subscription, Purchase and Distribution*" of this Information Memorandum.

Any person(s) who is invited to purchase or subscribe for the Notes or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Notes or distribute or cause to be distributed any document or other material in connection therewith, including this Information Memorandum, in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any of the Notes consult their own legal, financial and other advisers before purchasing or acquiring the Notes.

Prospective investors of the Notes are advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Notes.

Prospective investors should pay attention to the risk factors set out in the section titled "*Risk Factors*".

Notification under Section 309B of the SFA: Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MiFID II PRODUCT GOVERNANCE/TARGET MARKET – The applicable Pricing Supplement in respect of any Notes may include a legend titled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET – The applicable Pricing Supplement in respect of any Notes may include a legend titled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA (as defined below) Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – If the applicable Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the applicable Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would" and "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer and/or the Group (including statements as to the Issuer's and/or the Group's revenue and profitability, prospects, future plan and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer and/or the Group, expected growth of the Issuer and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in the general political, social and economic conditions;
- changes in the tax and regulatory regimes;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer and the Group.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, the section titled "*Risk Factors*".

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer and/or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. None of the Issuer, the Trustee, any of the Agents, the Arranger and any of the Dealers represent or warrant that the actual future results, performance or achievements of the Issuer and/or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Notes by the Issuer shall, under any circumstances, constitute a continuing representation, or create any suggestion or implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, each of the Issuer, the Group, the Trustee, any of the Agents, the Arranger and any of the Dealers disclaims any responsibility, and undertakes no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

"**Agency Agreement**"	:	The agency agreement dated 30 July 2022 made between (a) the Issuer, as issuer, (b) The Bank of New York Mellon, Singapore Branch, as CDP issuing and paying agent, CDP transfer agent, CDP registrar and (where appointed as contemplated therein) CDP calculation agent, (c) The Bank of New York Mellon, London Branch, as non-CDP issuing and paying agent and (where appointed as contemplated therein) non-CDP calculation agent, (d) The Bank of New York Mellon SA/NV, Dublin Branch, as non-CDP transfer agent and non-CDP registrar, and (e) the Trustee, as trustee, as amended, restated or supplemented from time to time.
"**Agents**"	:	The CDP Issuing and Paying Agent, CDP Transfer Agent, CDP Registrar, CDP Calculation Agent, Non-CDP Issuing and Paying Agent, Non-CDP Transfer Agent, Non-CDP Registrar and Non-CDP Calculation Agent or any of them and shall include such other Agent or Agents as may be appointed from time to time under the Agency Agreement or (as the case may be) the Calculation Agency Agreement.
"**Arranger**"	:	DBS Bank Ltd.
"**Bearer Notes**"	:	Notes in bearer form.
"**Business Day**"	:	A day (other than Saturday, Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore.
"**Calculation Agency Agreement**"	:	A calculation agency agreement between the Issuer, the Trustee and the relevant Calculation Agent made pursuant to Clause 2.6 of the Programme Agreement, substantially in the form set out in Appendix 10 of the Programme Agreement.
"**Calculation Agent**"	:	The CDP Calculation Agent or, as the case may be, the Non-CDP Calculation Agent.
"**CDP**"	:	The Central Depository (Pte) Limited.
"**CDP Calculation Agent**"	:	In relation to any Series of Notes that are to be cleared through CDP, (where so appointed as contemplated under the Agency Agreement) The Bank of New York Mellon, Singapore Branch, or its successor in such capacity, or such other calculation agent that may be appointed under the Agency Agreement or (as the case may be) the Calculation Agency Agreement.

"**CDP Issuing and Paying Agent**"	:	The Bank of New York Mellon, Singapore Branch.
"**CDP Registrar**"	:	The Bank of New York Mellon, Singapore Branch.
"**CDP Transfer Agent**"	:	The Bank of New York Mellon, Singapore Branch.
"**Certificate**"	:	A registered certificate representing one or more Registered Notes of the same Series and, save as provided in the Conditions of the Notes, comprising the entire holding by a holder of Registered Notes of that Series.
"**Clearstream**"	:	Clearstream Banking S.A., and includes a reference to its successors and permitted assigns.
"**Companies Act**"	:	The Companies Act 1967 of Singapore, as amended or modified from time to time.
"**Conditions**"	:	The terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Note or a Global Certificate, by the provisions of such Global Note or, as the case may be, Global Certificate, and which shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Notes or, as the case may be, Certificates subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part III of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed with reference to the equivalent or similar condition of any other Series of Notes.
"**Couponholders**"	:	The holders of the Coupons.
"**Coupons**"	:	The interest coupons appertaining to an interest-bearing Definitive Note.
"**Dealers**"	:	Persons appointed as dealers under the Programme.
"**Definitive Note**"	:	A definitive Bearer Note, having, where appropriate, Coupons and/or a Talon attached on issue.
"**Depositors**"	:	Persons holding the Notes in securities accounts with CDP.
"**Euroclear**"	:	Euroclear Bank SA/NV, and includes a reference to its successors and permitted assigns.

"**FY**"	:	Financial year ended or ending 31 December.
"**Global Certificate**"	:	A global Certificate representing Registered Notes of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of, (1) CDP, (2) a common depositary for Euroclear and/or Clearstream and/or (3) any other clearing system.
"**Global Note**"	:	A global note representing Bearer Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons or a Talon.
"**Group**"	:	The Issuer and its subsidiaries.
"**IRAS**"	:	Inland Revenue Authority of Singapore.
"**Issuer**"	:	Raffles Medical Group Ltd.
"**ITA**"	:	Income Tax Act 1947 of Singapore, as amended or modified from time to time.
"**Latest Practicable Date**"	:	29 July 2022.
"**Listing Manual**"	:	The listing manual of the SGX-ST.
"**MAS**"	:	The Monetary Authority of Singapore.
"**Non-CDP Calculation Agent**"	:	In relation to any Series of Notes that are to be cleared through a clearing system other than CDP, (where so appointed as contemplated under the Agency Agreement) The Bank of New York Mellon, London Branch, or its successor in such capacity, or such other calculation agent that may be appointed under the Agency Agreement or (as the case may be) the Calculation Agency Agreement.
"**Non-CDP Issuing and Paying Agent**"	:	The Bank of New York Mellon, London Branch.
"**Non-CDP Registrar**"	:	The Bank of New York Mellon SA/NV, Dublin Branch.
"**Non-CDP Transfer Agent**"	:	The Bank of New York Mellon SA/NV, Dublin Branch.
"**Noteholders**"	:	The holders of the Notes.
"**Notes**"	:	The notes to be issued by the Issuer under the Programme.
"**Permanent Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Note.

"**Pricing Supplement**"	:	In relation to any Tranche or Series, a pricing supplement, to be read in conjunction with this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series.
"**Programme**"	:	The S$1,000,000,000 Multicurrency Medium Term Notes Programme of the Issuer.
"**Programme Agreement**"	:	The programme agreement dated 30 July 2022 made between (1) the Issuer, as issuer and (2) the Arranger, as arranger and dealer and as further amended, varied or supplemented from time to time.
"**Registered Notes**"	:	Notes in registered form.
"**Securities Act**"	:	Securities Act of 1933 of the United States, as amended, varied or supplemented from time to time.
"**Series**"	:	(1) (In relation to Notes other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
"**SFA**"	:	Securities and Futures Act 2001 of Singapore, as amended or modified from time to time.
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited.
"**SORA**"	:	Singapore Overnight Rate Average.
"**subsidiary**"	:	Any corporation which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act).
"**Take-Over Code**"	:	The Singapore Code on Take-Overs and Mergers, as amended or modified from time to time.
"**Temporary Global Note**"	:	A Global Note representing Bearer Notes of one or more Tranches of the same Series on issue.
"**Tranche**"	:	Notes which are identical in all respects (including as to listing).
"**Trust Deed**"	:	The trust deed dated 30 July 2022 made between (1) the Issuer, as issuer and (2) the Trustee, as trustee and as further amended, varied or supplemented from time to time.

"**Trustee**"	:	The Bank of New York Mellon, Singapore Branch.
"**United States**" or "**U.S.**"	:	United States of America.
"**US$**" or "**US dollars**"	:	United States dollars.
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively.
"**%**"	:	per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include firms and corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Board of Directors	:	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
Joint Company Secretaries	:	Mrs. Kimmy Goh Ms. Jessica Soo
Registered Office	:	585 North Bridge Road Raffles Hospital #11-00 Singapore 188770
Auditors	:	KPMG LLP 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581
Arranger of the Programme	:	DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisors to the Arranger, the Trustee and the Agents	:	WongPartnership LLP 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisors to the Issuer	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
CDP Issuing and Paying Agent, CDP Calculation Agent, CDP Transfer Agent and CDP Registrar	:	The Bank of New York Mellon, Singapore Branch One Temasek Avenue #02-01 Millenia Tower Singapore 039192
Non-CDP Issuing and Paying Agent and Non-CDP Calculation Agent	:	The Bank of New York Mellon, London Branch One Canada Square London E14 5AL United Kingdom

Non-CDP Transfer Agent and Non-CDP Registrar	:	The Bank of New York Mellon SA/NV, Dublin Branch Riverside II Sir John Rogerson's Quay Grand Canal Dock Dublin 2 Ireland
Trustee for the Noteholders	:	The Bank of New York Mellon, Singapore Branch One Temasek Avenue #02-01 Millenia Tower Singapore 039192

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Programme Agreement, the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	:	Raffles Medical Group Ltd.
Arranger	:	DBS Bank Ltd.
Dealers	:	DBS Bank Ltd. and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	:	The Bank of New York Mellon, Singapore Branch.
CDP Issuing and Paying Agent	:	The Bank of New York Mellon, Singapore Branch.
Non-CDP Issuing and Paying Agent	:	The Bank of New York Mellon, London Branch.
Description	:	S$1,000,000,000 Multicurrency Medium Term Notes Programme.
Programme Size	:	S$1,000,000,000.
Purpose	:	The net proceeds of an issuance of Notes will be used by the Issuer for financing the general corporate funding requirements of the Group or such other purposes as may be specified in the relevant Pricing Supplement.
Negative Pledge	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will procure that none of its Principal Subsidiaries (as defined in Condition 4(c)) will, create or permit to subsist, any mortgage, charge, lien, pledge or other form of encumbrance or security upon the whole or any part of their respective present or future undertakings, assets or revenues to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, unless at the same time or prior thereto the Notes are accorded (i) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of this paragraph:

(1) "**Principal Subsidiaries**" means, at any particular time, any subsidiary of the Issuer:

(a) whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 20 per cent. of the total assets of the Group as shown by such audited consolidated accounts; or

(b) whose net profits before tax, as shown by the accounts of such subsidiary (consolidated in the case of a company which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 20 per cent. of the total net profits before tax of the Group as shown by such audited consolidated accounts,

provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary of the Issuer (the "**transferee**") then:

(A) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(B) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (A) above or which remains or becomes a Principal Subsidiary by virtue of (B) above shall continue to be a Principal Subsidiary until the earlier of the date of issue of (x) the first audited consolidated accounts of the Group prepared as of a date later than the date of the relevant transfer which show the total assets, or (as the case may be) total net profits before tax as shown by the accounts of such subsidiary (consolidated (if any) in the case of a subsidiary which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 20 per cent. of the total assets, or, as the case may be, of the total net profits before tax of the Group, as shown by such audited consolidated accounts, or (y) a report by the Auditors (as defined in the Trust Deed) as described below dated on or after the date of the relevant transfer which shows the total assets, or (as the case may be) total net profits before tax of such subsidiary to be less than 20 per cent. of the total assets or, as the case may be, of the total net profits before tax, of the Group. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(2) "**Relevant Indebtedness**" means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

Financial Covenants : The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that the ratio of Consolidated Net Debt to Consolidated Total Equity shall not at any time be more than 1.5:1.

Terms used in this paragraph have the meaning ascribed to them in the Conditions.

Non-Disposal Covenant : The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Condition 4(c), is substantial in relation to the Group (as defined in the Trust Deed), taken as a whole, or the disposal of which (either alone or when so aggregated) is likely to have a material adverse effect on the Group. The following disposals shall not be taken into account under Condition 4(c):

(i) any disposal in the ordinary course of business on normal commercial terms and on an arm's length basis;

(ii) any disposal in connection with the transfer of any of the Group's assets to another member of the Group;

(iii) any disposal in connection with the transfer of any of the Group's assets to a joint venture company on normal commercial terms and on an arm's length basis;

(iv) any disposal or sale of assets which are obsolete, excess or no longer required for the purposes of its business, in each case, on normal commercial terms;

(v) any disposal of assets in exchange for other assets which are comparable or superior as to nature, value and quality;

(vi) any payment of cash as consideration for the acquisition of any asset on an arm's length basis and on normal commercial terms;

(vii) any disposals of financial assets as shown in the most recent audited or, as the case may be, unaudited consolidated financial statements of the Group on an arm's length basis and on normal commercial terms;

(viii) any disposal of shares, units or other interests in connection with the listing of any real estate investment trust, business trust, property fund or any other entity provided that the Issuer will at all times following such disposal own (whether directly and/or indirectly) in aggregate at least 20 per cent. of the shares, units or, as the case may be, interest of such real estate investment trust, business trust, property fund or entity;

(ix) any disposal of assets to any real estate investment trust, business trust, property fund or any other entity in connection with a listing of such vehicle provided that the Issuer will at all times following such disposal own (whether directly and/or indirectly) in aggregate at least 20 per cent. of the shares, units or, as the case may be, interest of such real estate investment trust, business trust, property fund or entity;

(x) the making of lawful dividends of distributions; and

(xi) any disposal approved by the Noteholders by way of an Extraordinary Resolution.

Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The minimum issue size for each Series shall be agreed between the Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Notes may be issued at par or at a discount, or premium, to par.
Tenor	:	Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.

Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	Floating Rate Notes will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
Variable Rate Notes :	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at such benchmark as may be agreed between the Issuer and the relevant Dealer(s), as adjusted for any applicable margin, in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
Zero Coupon Notes	:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Form and Denomination of Notes	:	The Notes will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Note or definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Notes upon the terms therein.

		Each Tranche or Series of registered Notes will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, a common depositary for Euroclear and Clearstream and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Conditions of the Notes, a Certificate shall be issued in respect of each Noteholder's entire holding of registered Notes of one Series.
Custody of the Notes	:	Notes which are to be listed on the SGX-ST may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are cleared through Euroclear and/or Clearstream are required to be kept with a common depositary on behalf of Euroclear and Clearstream.
Status of the Notes	:	The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Optional Redemption and Purchase	:	If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part if so provided) prior to their stated maturity at the option of the Issuer and/or the Noteholders. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the Noteholders.
Redemption at the Option of the Noteholders upon Change of Control	:	If for any reason a Change of Control Event occurs, the Issuer will within seven days of such occurrence (the "**Transfer Date**") give notice to the Noteholders, the Trustee and the Issuing and Paying Agent of the occurrence of such event (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option) and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest (if any) accrued to (but excluding) the date fixed for redemption, on the date falling 60 days from the Transfer Date (or if such date is not a business day, on the next day which is a business day).

For the purposes of this paragraph:

(1) a "**Change of Control Event**" occurs when (aa) any Person or Persons (acting together with its related corporations) (other than a Permitted Holder) acquires or acquire Control of the Issuer if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Issuer on the Issue Date; or (bb) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any other Person or Persons (acting together with its related corporations), unless the consolidation, merger, sale or transfer will not result in such other Person or Persons acquiring Control over the Issuer or the successor entity;

(2) "**Control**" means (i) the ownership or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer or (ii) the right to appoint and/or remove all or the majority of the members of the Issuer's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;

(3) "**Permitted Holder**" means (i) any trusts established for the primary benefit of Dr. Loo Choon Yong and/or his immediate family (as defined below) (each, a "**Loo Family Trust**"); (ii) any of Dr. Loo Choon Yong's executors, administrators, personal representatives or similar representatives; (iii) Dr. Loo Choon Yong and any of Dr. Loo Choon Yong's spouse, child, adopted child, step-child, sibling or parent (collectively, "**immediate family**"); (iv) the trustees of any Loo Family Trust; and/or (v) any company in which Dr. Loo Choon Yong and/or his immediate family, individually or together, directly or indirectly, owns more than 50.0% of the voting rights of the issued share capital of such company; and

(4) "**Person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

Redemption upon Cessation or Suspension of Trading of Shares at the option of Noteholders : In the event that (i) the shares of the Issuer cease to be traded on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than seven (7) market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 60 days after the Effective Date.

For the purposes of this paragraph:

(1) "**Effective Date**" means (in the case of (i) above) the date of cessation of trading or (in the case of (ii) above) the business day immediately following the expiry of such continuous period of seven (7) market days; and

(2) "**market day**" means a day on which the SGX-ST is open for securities trading.

Redemption for Taxation Reasons : If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (determined in accordance with Condition 6(j)) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Redemption in the case of Minimal Outstanding Amount : If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Events of Default : See Condition 10 of the Notes.

Taxation	:	All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section titled "*Singapore Taxation*" herein.
Listing	:	Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in foreign currencies) or such other amount as may be allowed or required from time to time.
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on "*Subscription, Purchase and Distribution*" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Governing Law	:	The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form (if any) issued in exchange for the Global Note(s) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to "Notes" are to the Notes of one Series only, and not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a Trust Deed (as amended, restated or supplemented from time to time, the "**Trust Deed**") dated 30 July 2022 made between (1) Raffles Medical Group Ltd (the "**Issuer**"), as issuer, and (2) The Bank of New York Mellon, Singapore Branch, as trustee for the Noteholders (as defined in the Trust Deed) (in such capacity, the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended, restated or supplemented from time to time, the "**Deed of Covenant**") dated 30 July 2022, relating to the Notes cleared or to be cleared through the CDP System (as defined in the Trust Deed) ("**CDP Notes**") executed by the Issuer. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuer has entered into an Agency Agreement (as amended, restated or supplemented from time to time, the "**Agency Agreement**") dated 30 July 2022 made between (1) the Issuer, as issuer, (2) The Bank of New York Mellon, Singapore Branch, as issuing and paying agent in respect of CDP Notes (in such capacity, the "**CDP Issuing and Paying Agent**"), transfer agent in respect of CDP Notes (in such capacity, the "**CDP Transfer Agent**"), registrar in respect of CDP Notes (in such capacity, the "**CDP Registrar**") and (where appointed as contemplated therein) calculation agent in respect of CDP Notes (in such capacity, and together with any other calculation agent in respect of CDP Notes that may be appointed under the Agency Agreement or (as the case may be) the calculation agency agreement made between the Issuer, the Trustee and the relevant calculation agent (the "**Calculation Agency Agreement**"), (the "**CDP Calculation Agent**"), (3) The Bank of New York Mellon, London Branch, as issuing and paying agent in respect of Notes cleared or to be cleared through a clearing system other than the CDP System ("**Non-CDP Notes**") (in such capacity, the "**Non-CDP Issuing and Paying Agent**" and, together with the CDP Issuing and Paying Agent and any other paying agents that may be appointed, the "**Paying Agents**") and (where appointed as contemplated therein) calculation agent in respect of Non-CDP Notes (in such capacity, and together with any other calculation agent that may be appointed in respect of Non-CDP Notes under the Agency Agreement or (as the case may be) the Calculation Agency Agreement, the "**Non-CDP Calculation Agent**" and, together with the CDP Calculation Agent, the "**Calculation Agents**"), (4) The Bank of New York Mellon SA/NV, Dublin Branch, as transfer agent in respect of Non-CDP Notes (in such capacity, the "**Non-CDP Transfer Agent**" and, together with the CDP Transfer Agent and any other transfer agents that may be appointed, the "**Transfer Agents**") and registrar in respect of Non-CDP Notes (in such capacity, the "**Non-CDP Registrar**", and together with the CDP Registrar, the "**Registrars**"), and (5) the Trustee, as trustee for the Noteholders. The Noteholders and the holders (the "**Couponholders**") of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Issuing and Paying Agent shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Issuing and Paying Agent and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Issuing and Paying Agent, (b) the Registrar shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Registrar, (c) the Transfer Agent shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Transfer Agent and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Transfer Agent, and (d) the Calculation Agent shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Calculation Agent and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Calculation Agent, and (unless the context otherwise requires) all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective specified offices of the Paying Agents for the time being during usual business hours, upon prior written request and satisfactory proof of holdings.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"), in each case in the Denomination Amount shown in the relevant Pricing Supplement. Subject to applicable laws, in the case of Registered Notes, such Notes are in the Denomination Amount shown in the relevant Pricing Supplement, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Note that does not bear interest (a "**Zero Coupon Note**") (depending upon the Interest Basis shown on its face).

(iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 7(h)) in these Conditions are not applicable.

(iv) Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) Title

(i) Title to the Bearer Notes and the Coupons and, where applicable, Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof, trust, interest therein or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Note (as defined below) or, as the case may be, a Global Certificate (as defined below), and such Global Note or Global Certificate is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream**") and/or The Central Depository (Pte) Limited (the "**Depository**") and/or any other clearing system, each person who is for the time being shown in the records of Euroclear, Clearstream, the Depository and/or any such other clearing system as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, the Depository and/or such other clearing system as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent (as defined below), all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Note or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agents, all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes in accordance with and subject to the terms of the Global Note or, as the case may be, the Global Certificate (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Note or, as the case may be, the Global Certificate and held by Euroclear, Clearstream, the Depository and/or any other clearing system will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, the Depository and/or such other clearing system.

(iv) In these Conditions, "**Global Note**" means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, "**Global Certificate**" means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depositary for Euroclear and/or Clearstream, (2) the Depository and/or (3) any other clearing system, "**Noteholder**" means (subject to Condition 1(b)(iii) above) the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and "**holder**" (in relation to a Note, Coupon or Talon) means (subject to Condition 1(b)(iii) above) the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), "**Series**" means (A) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (aa) expressed to be consolidated and forming a single series and (bb) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (B) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Notes and Transfers of Registered Notes

(a) No Exchange of Notes: Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes: Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee and in the case of any change proposed by the Registrar or the Trustee, with the prior written approval of the Issuer. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request. For the avoidance of doubt, a Registered Note may be registered only in the name of, and transferred only to, a named person or persons. No transfer of a Registered Note will be valid unless and until entered on the Register.

(c) Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes: In the case of an exercise of the Issuer's or a Noteholder's option in respect of, or a partial redemption or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates: Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within seven business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

(e) Transfers Free of Charge: Transfers of Notes and registrations and issues of Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of such tax or governmental charges.

(f) Closed Periods: No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

3. Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

4. Negative Pledge, Financial Covenants and Other Covenants

(a) Negative Pledge

The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will procure that none of its Principal Subsidiaries (as defined in Condition 4(c) below) will, create or permit to subsist, any mortgage, charge, lien, pledge or other form of encumbrance or security upon the whole or any part of their respective present or future undertakings, assets or revenues to secure any Relevant Indebtedness (as defined below), or any guarantee or indemnity in respect of any Relevant Indebtedness, unless at the same time or prior thereto the Notes are accorded (i) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of this Condition 4(a), "**Relevant Indebtedness**" means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

(b) Financial Covenants

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that the ratio of Consolidated Net Debt to Consolidated Total Equity shall not at any time be more than 1.5:1.

For the purposes of these Conditions:

(1) "**Consolidated Net Debt**" means Consolidated Total Debt less cash and cash equivalents (as determined in accordance with generally accepted accounting principles in Singapore), all as shown in the latest audited or unaudited consolidated balance sheet of the Group; and

(2) "**Consolidated Total Debt**" means in relation to the Group, an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of (without double-counting):

(A) bank overdrafts and all other indebtedness in respect of any borrowings maturing within 12 months;

(B) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;

(C) the liabilities of the Issuer under the Trust Deed or the Notes;

(D) all other indebtedness whatsoever of the Group for borrowed moneys; and

(E) any redeemable preference shares issued by any member of the Group and which is regarded by generally accepted accounting principles in Singapore as debt or other liability of the Group; and

(3) "**Consolidated Total Equity**" means the amount (expressed in Singapore dollars) for the time being, calculated in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of (without double-counting):

(A) the amount paid up or credited as paid up on the issued share capital of the Issuer; and

(B) the amounts standing to the credit of the capital and revenue reserves (including revaluation reserves and profit and loss account) of the Group on a consolidated basis,

all as shown in the then latest audited consolidated balance sheet of the Group but after:

(a) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital and the capital and revenue reserves set out in paragraphs (A) and (B) above of the Group since the date of the latest audited consolidated balance sheet of the Group;

(b) excluding any sums set aside for future taxation; and

(c) deducting:

(I) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited consolidated balance sheet of the Group and which have been declared, recommended or made since that date except so far as provided for in such balance sheet and/or paid or due to be paid to members of the Group; and

(II) any debit balances on consolidated profit and loss account; and

(d) excluding the amounts attributable to the non-controlling interests of the Group on a consolidated basis.

For the avoidance of doubt, for the purposes of these definitions, any perpetual securities issued by the Issuer or any other member of the Group which are accounted for as "equity" shall be treated as such (and not as debt).

(c) Non-Disposal Covenant

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under this Condition 4(c), is substantial in relation to the Group (as defined in the Trust Deed), taken as a whole, or the disposal of which (either alone or when so aggregated) is likely to have a material adverse effect on the Group. The following disposals shall not be taken into account under this Condition 4(c):

(i) any disposal in the ordinary course of business on normal commercial terms and on an arm's length basis;

(ii) any disposal in connection with the transfer of any of the Group's assets to another member of the Group;

(iii) any disposal in connection with the transfer of any of the Group's assets to a joint venture company on normal commercial terms and on an arm's length basis;

(iv) any disposal or sale of assets which are obsolete, excess or no longer required for the purposes of its business, in each case, on normal commercial terms;

(v) any disposal of assets in exchange for other assets which are comparable or superior as to nature, value and quality;

(vi) any payment of cash as consideration for the acquisition of any asset on an arm's length basis and on normal commercial terms;

(vii) any disposals of financial assets as shown in the most recent audited or, as the case may be, unaudited consolidated financial statements of the Group on an arm's length basis and on normal commercial terms;

(viii) any disposal of shares, units or other interests in connection with the listing of any real estate investment trust, business trust, property fund or any other entity provided that the Issuer will at all times following such disposal own (whether directly and/or indirectly) in aggregate at least 20 per cent. of the shares, units or, as the case may be, interest of such real estate investment trust, business trust, property fund or entity;

(ix) any disposal of assets to any real estate investment trust, business trust, property fund or any other entity in connection with a listing of such vehicle provided that the Issuer will at all times following such disposal own (whether directly and/or indirectly) in aggregate at least 20 per cent. of the shares, units or, as the case may be, interest of such real estate investment trust, business trust, property fund or entity;

(x) the making of lawful dividends of distributions; and

(xi) any disposal approved by the Noteholders by way of an Extraordinary Resolution.

For the purposes of the Trust Deed and these Conditions,

(1) "**Principal Subsidiaries**" means, at any particular time, any subsidiary of the Issuer:

(a) whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 20 per cent. of the total assets of the Group as shown by such audited consolidated accounts; or

(b) whose net profits before tax, as shown by the accounts of such subsidiary (consolidated in the case of a company which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 20 per cent. of the total net profits before tax of the Group as shown by such audited consolidated accounts,

provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary of the Issuer (the "**transferee**") then:

(A) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(B) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (A) above or which remains or becomes a Principal Subsidiary by virtue of (B) above shall continue to be a Principal Subsidiary until the earlier of the date of issue of (x) the first audited consolidated accounts of the Group prepared as of a date later than the date of the relevant transfer which show the total assets, or (as the case may be) total net profits before tax as shown by the accounts of such subsidiary (consolidated (if any) in the case of a subsidiary which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 20 per cent. of the total assets, or, as the case may be, of the total net profits before tax of the Group, as shown by such audited consolidated accounts, or (y) a report by the Auditors (as defined in the Trust Deed) as described below dated on or after the date of the relevant transfer which shows the total assets, or (as the case may be) total net profits before tax of such subsidiary to be less than 20 per cent. of the total assets or, as the case may be, of the total net profits before tax, of the Group. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(2) "**subsidiary**" has the meaning ascribed to it in Clause 1.1 of the Trust Deed.

5. Rate of Interest

(I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date (as defined in Condition 5(II)(e)) in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown in the relevant Pricing Supplement.

Interest will cease to accrue on each Fixed Rate Note from (and including) the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown in the relevant Pricing Supplement is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(I) to (but excluding) the Relevant Date (as defined in Condition 8).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction (as defined in Condition 5(II)(e)) shown in the relevant Pricing Supplement. The amount of interest payable per Calculation Amount (as defined in Condition 5(II)(e)) for any Fixed Rate Interest Period (as defined below) in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency (as defined in Condition 5(II)(e)).

For the purposes of these Conditions, "**Fixed Rate Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown in the relevant Pricing Supplement as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown in the relevant Pricing Supplement, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period (as defined below) in the relevant Pricing Supplement (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 5(II)(c)(i)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period.

If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from (and including) the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(II) to (but excluding) the Relevant Date.

(b) Rate of Interest – Floating Rate Notes

(i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) Singapore Overnight Rate Average ("**SORA**") (in which case such Note will be a SORA Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "**Spread**" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Calculation Agent on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are specified in the applicable Pricing Supplement as being SORA Notes and Index Determination is specified as "Not Applicable" in the applicable Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SORA (as defined below) plus or minus the Spread:

(A) where Lockout is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"**d_o**", for any Interest Period, is the number of Singapore Business Days in the relevant Interest Period;

"**i**", for the relevant Interest Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Period to the last Singapore Business Day in such Interest Period;

"**Interest Determination Date**" means the Singapore Business Day immediately following the Rate Cut-Off Date;

"**n_i**", for any Singapore Business Day "$_i$", is the number of calendar days from and including such Singapore Business Day "$_i$" up to but excluding the following Singapore Business Day;

"***p***" means five Singapore Business Days (or such other number of Singapore Business Days specified in the relevant Pricing Supplement, which in no event shall be less than five Singapore Business Days);

"**Rate Cut-Off Date**" means, with respect to a Rate of Interest and Interest Period, the date falling "*p*" Singapore Business Days prior to the Interest Payment Date in respect of the relevant Interest Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

"**Singapore Business Days**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "$_i$", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the "**Relevant Screen Page**") on the Singapore Business Day immediately following such Singapore Business Day "$_i$";

"**$SORA_i$**" means, in respect of any Singapore Business Day "i" falling in the relevant Interest Period:

(aa) if such Singapore Business Day is a SORA Reset Date, the reference rate equal to SORA in respect of that Singapore Business Day; and

(bb) if such Singapore Business Day is not a SORA Reset Date (being a Singapore Business Day falling in the Suspension Period), the reference rate equal to SORA in respect of the first Singapore Business Day falling in the Suspension Period (the "**Suspension Period $SORA_i$**") (such first day of the Suspension Period coinciding with the Rate Cut-Off Date). For the avoidance of doubt, the Suspension Period $SORA_i$ shall apply to each day falling in the relevant Suspension Period;

"**SORA Reset Date**" means, in relation to any Interest Period, each Singapore Business Day during such Interest Period, other than any Singapore Business Day falling in the Suspension Period corresponding with such Interest Period; and

"**Suspension Period**" means, in relation to any Interest Period, the period from (and including) the date falling "*p*" Singapore Business Days prior to the Interest Payment Date in respect of the relevant Interest Period or such other date specified in the applicable Pricing Supplement (such Singapore Business Day coinciding with the Rate Cut-Off Date) to (but excluding) the Interest Payment Date of such Interest Period.

(B) where Lookback is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SORA_{i-x\,SBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"$\mathbf{d_o}$", for any Interest Period, is the number of Singapore Business Days in the relevant Interest Period;

"$_{\mathbf{i}}$", for the relevant Interest Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Period to the last Singapore Business Day in such Interest Period;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

"$\mathbf{n_i}$", for any Singapore Business Day "$_i$", is the number of calendar days from and including such Singapore Business Day "$_i$" up to but excluding the following Singapore Business Day;

"**Observation Period**" means, for the relevant Interest Period, the period from, and including, the date falling "*p*" Singapore Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling "*p*" Singapore Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

"***p***" means five Singapore Business Days (or such other number of Singapore Business Days specified in the relevant Pricing Supplement, which in no event shall be less than five Singapore Business Days);

"**Singapore Business Days**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "$_i$", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the "**Relevant Screen Page**") on the Singapore Business Day immediately following such Singapore Business Day "$_i$"; and

"**$SORA_{i\ -\ x\ SBD}$**" means, in respect of any Singapore Business Day "$_i$" in the relevant Interest Period, the reference rate equal to SORA in respect of the Singapore Business Day falling "*p*" Singapore Business Days prior to the relevant Singapore Business Day "$_i$".

(C) where Backward Shifted Observation Period is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Observation Period;

"**d_o**", for any Interest Period, is the number of Singapore Business Days in the relevant Observation Period;

"**$_i$**", for the relevant Interest Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to the last Singapore Business Day in such Observation Period;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

"**n_i**", for any Singapore Business Day "$_i$", is the number of calendar days from and including such Singapore Business Day "$_i$" up to but excluding the following Singapore Business Day;

"**Observation Period**" means, for the relevant Interest Period, the period from, and including, the date falling "*p*" Singapore Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling "*p*" Singapore Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

"***p***" means five Singapore Business Days (or such other number of Singapore Business Days specified in the relevant Pricing Supplement, which in no event shall be less than five Singapore Business Days);

"**Singapore Business Days**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "$_i$", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the "**Relevant Screen Page")** on the Singapore Business Day immediately following such Singapore Business Day "$_i$"; and

"**$SORA_i$**" means**,** in respect of any Singapore Business Day "$_i$" falling in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day "$_i$".

For the avoidance of doubt, the formula for the calculation of Compounded Daily SORA only compounds SORA in respect of any Singapore Business Day. SORA applied to a day that is not a Singapore Business Day will be taken by applying SORA for the previous Singapore Business Day but without compounding.

(D) Subject to Condition 5(VI), if, by 5:00 p.m., Singapore time, on the Singapore Business Day immediately following such day "$_i$", SORA in respect of such Singapore Business Day "$_i$" has not been published and a Benchmark Event for SORA has not occurred, then SORA for that Singapore Business Day "$_i$" will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published.

(E) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement), subject to Condition 5(VI), the Rate of Interest shall be:

(aa) that determined as at the last preceding Interest Determination Date or, as the case may be, Rate Cut-Off Date (though substituting, where a different Spread or Maximum Rate of Interest

or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Spread or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Period in place of the Spread or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or

(bb) if there is no such preceding Interest Determination Date or, as the case may be, Rate Cut-Off Date, the initial Rate of Interest which would have been applicable to such Series of SORA Notes for the first Interest Period had the SORA Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Spread and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

(F) If the relevant Series of SORA Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such SORA Notes became due and payable (with corresponding adjustments being deemed to be made to the applicable Compounded Daily SORA formula) and the Rate of Interest on such SORA Notes shall, for so long as any such SORA Note remains outstanding, be that determined on such date;

(2) in the case of Floating Rate Notes which are specified in the applicable Pricing Supplement as being SORA Notes and Index Determination is specified as "Applicable" in the applicable Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Index SORA (as defined below) plus or minus the Spread:

(A) For the purposes of this Condition 5(II)(b)(ii)(2):

"**Compounded Index SORA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the relevant Pricing Supplement) on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left(\frac{\text{SORA Index}_{\text{end}}}{\text{SORA Index}_{\text{start}}} - 1\right) \times \frac{365}{d}$$

where:

"**d**" means the number of calendar days in the relevant Observation Period;

"**Observation Period**" means, for the relevant Interest Period, the period from, and including, the date falling "*p*" Singapore Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling "*p*" Singapore Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

"***p***" means five Singapore Business Days (or such other number of Singapore Business Days specified in the relevant Pricing Supplement, which in no event shall be less than five Singapore Business Days);

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA Index Value**" means, with respect to any Singapore Business Day:

(aa) the value of the index known as the "SORA Index" administered by the Monetary Authority of Singapore (or any successor administrator thereof) as published by the Monetary Authority of Singapore (or any successor administrator) on the Relevant Screen Page on such Singapore Business Day provided, however, that in the event that the value originally published is subsequently corrected and such corrected value is published by the Monetary Authority of Singapore, as the administrator of SORA (or any successor administrator of SORA) on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the SORA Index Value in relation to such Singapore Business Day; or

(bb) if the index in sub-paragraph (aa) is not published or displayed by the administrator of SORA or other information service on the relevant Interest Determination Date as specified in the relevant Pricing Supplement, the Reference Rate for the applicable Interest Period for which the index is not available shall be Compounded Daily SORA, and for these purposes, Backward Shifted Observation Period shall be deemed to be specified in the applicable Pricing Supplement and "*p*" shall be as set out in the relevant Pricing Supplement, as if Index Determination had been specified as being "Not Applicable" and these alternative elections had been made;

"**SORA Index$_{end}$**" means the SORA Index Value on the Singapore Business Day falling "*p*" Singapore Business Days before the Interest Payment Date relating to the relevant Interest Period (or in the case of the final Interest Period, the Maturity Date); and

"**SORA Index$_{start}$**" means the SORA Index Value on the Singapore Business Day falling "*p*" Singapore Business Days before the first day of the relevant Interest Period.

(B) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement), subject to Condition 5(VI), the Rate of Interest shall be:

(aa) that determined as at the last preceding Interest Determination Date (though substituting, where a different Spread or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Spread or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Period in place of the Spread or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or

(bb) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of SORA Notes for the first Interest Period had the SORA Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Spread and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

(C) If the relevant Series of SORA Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such SORA Notes became due and payable (with corresponding adjustments being deemed to be made to the Compounded Index SORA formula) and the Rate of Interest on such SORA Notes shall, for so long as any such SORA Note remains outstanding, be that determined on such date;

(3) in the case of Floating Rate Notes which are not SORA Notes or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate Notes is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate Notes is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and notified by the Issuer (or an independent adviser appointed by it) to the Calculation Agent, as adjusted by the Spread (if any);

(C) if paragraph (b)(ii)(3)(B) applies and fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date; and

(D) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with paragraphs (b)(ii)(3)(A) to (b)(ii)(3)(C) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraphs (b)(ii)(3)(A), (b)(ii)(3)(B) or (b)(ii)(3)(C) above shall have applied.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest as determined in accordance with any of the foregoing in relation to any Interest Period is less than zero (subject to any applicable Minimum Rate of Interest), the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) Rate of Interest – Variable Rate Notes

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Rate of Interest for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The Issuer has undertaken to the Issuing and Paying Agent and the Calculation Agent that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined, but not later than 10.30 a.m. (Singapore time) on the next following business day:

(1) notify the Issuing and Paying Agent and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated in the relevant Pricing Supplement, being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SORA (in which case such Variable Rate Note(s) will be SORA Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out in the relevant Pricing Supplement.

Such rate may be adjusted by adding or subtracting the Spread (if any) stated in the relevant Pricing Supplement. The "**Spread**" is the percentage rate per annum specified in the relevant Pricing Supplement as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 5(II)(b)(ii) above (*mutatis mutandis*) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(vi) For the avoidance of doubt, in the event that the Rate of Interest as determined in accordance with any of the foregoing in relation to any Interest Period is less than zero (subject to any applicable Minimum Rate of Interest), the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) Minimum/Maximum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest and/or a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Condition 5(II)(b) or Condition 5(II)(c) above is less than such Minimum Rate of Interest, or more than such Maximum Rate of Interest, as the case may be, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest, or such Maximum Rate of Interest, as the case may be.

(e) Definitions

As used in these Conditions, unless the context requires:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Note, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream and the Depository, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country in which the Issuing and Paying Agent's specified office is situated and (iii) (if a payment is to be made on that day) (A) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (B) (in the case of Notes denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (C) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and in the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with Condition 5:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the

Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360;

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365; and

(iv) if "30/360" is specified in the applicable Pricing Supplement, the number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

"**Euros**" means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

"**Interest Determination Date**" means, in respect of any Interest Period, such date as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**Issue Date**" means the date specified as such in the applicable Pricing Supplement;

"**Primary Source**" means (i) the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) notified to the Calculation Agent by the Issuer or (ii) the Reference Banks, as the case may be;

"**Reference Banks**" means the institutions specified as such in the applicable Pricing Supplement or, if none, three major banks selected by the Issuer (or an independent adviser appointed by it) in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement specified in the Pricing Supplement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark and as specified in the relevant pricing supplement; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown in the relevant Pricing Supplement in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown in the relevant Pricing Supplement.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from (and including) the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to (but excluding) the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon during the Fixed Rate Period.

(c) Floating Rate Period

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown in the relevant Pricing Supplement as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown in the relevant Pricing Supplement, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period in the relevant Pricing Supplement (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in

accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) The period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from (and including) the due date for redemption thereof unless, upon due presentation thereof, payment of the principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to (but excluding) the Relevant Date.

(iv) The provisions of Condition 5(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(j)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as determined in accordance with Condition 6(j)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period, calculate the Redemption Amount or Early Redemption Amount or make such determination or calculation, as the case may be. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note, Variable

Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders.

(b) Notification

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee, and the Issuer as soon as practicable after their determination but in no event later than the fourth business day thereafter. In the case of Variable Rate Notes and Floating Rate Notes, the Issuer will, or will request the Issuing and Paying Agent (having given reasonable notice in writing to the Issuing and Paying Agent and at the expense of the Issuer) to also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as practicable after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Failure to Determine or Calculate Rate of Interest

If the Calculation Agent does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Issuer shall notify the Trustee and the Issuing and Paying Agent of this failure and promptly appoint an alternative Calculation Agent. In doing so, the alternative Calculation Agent shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its sole opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall in its sole opinion deem fair and reasonable in all the circumstances. If the Issuer fails to so appoint, the Notes will, for the relevant Interest Period, bear interest at the rate in effect for the last preceding Interest Period and the Issuing and Paying Agent will determine the relevant Interest Amount, though substituting, where a different Spread or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Spread or Maximum or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Period shall be substituted in place of the Spread or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period.

(d) Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, if provision is made for them hereon and so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts or Redemption Amount or Early Redemption Amount, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

(VI) Benchmark Discontinuation and Replacement

(a) Independent Adviser

Notwithstanding the provisions above in this Condition 5, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use commercially reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Successor Rate, failing which the Alternative Rate (in accordance with Condition 5(VI)(b)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5(VI)(c)), and any Benchmark Amendments (in accordance with Condition 5(VI)(d)).

An Independent Adviser appointed pursuant to this Condition 5(VI) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Issuing and Paying Agent, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 5(VI).

If the Issuer is unable to appoint an Independent Adviser after using commercially reasonable endeavours, or the Independent Adviser appointed by it fails to determine the Successor Rate or the Alternative Rate by eleven business days prior to the relevant Interest Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may, on the eleventh business day prior to the relevant Interest Determination Date, determine the Successor Rate, failing which the Alternative Rate (as the case may be) (in accordance with Condition 5(VI)(b)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5(VI)(c)), and any Benchmark Amendments (in accordance with Condition 5(VI)(d)).

If the Issuer is unable to or does not determine the Successor Rate or the Alternative Rate (as the case may be) by eleven business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest which would have been applicable to the Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date. Where a different Spread or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Spread or

Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Spread or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Condition 5(VI)(a).

(b) Successor Rate or Alternative Rate

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines that:

(i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(VI)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 5(VI) in the event of a further Benchmark Event affecting the Successor Rate); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(VI)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 5(VI) in the event of a further Benchmark Event affecting the Alternative Rate).

(c) Adjustment Spread

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(d) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(VI) and the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines (i) that amendments to these Conditions and/or the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(VI)(e), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Calculation Agent) the Calculation Agent of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 5(VI)(e), the Trustee, the Issuing and Paying Agent and (if applicable) the Calculation Agent shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed, the Agency Agreement and these Conditions), provided that the Trustee, the Issuing and Paying Agent and

(if applicable) the Calculation Agent shall not be obliged so to concur if in its opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the Issuing and Paying Agent or the Calculation Agent (as the case may be) in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement in any way.

For the avoidance of doubt, the Trustee, the Issuing and Paying Agent, and (if applicable) the Calculation Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5(VI)(d). Noteholders' consent shall not be required in connection with effecting the Successor Rate or the Alternative Rate (as the case may be) or such other changes, including for the execution of any documents or other steps by the Trustee, the Calculation Agent, the Issuing and Paying Agents, the Registrars or the Transfer Agents or the other agents (if required).

In connection with any such variation in accordance with this Condition 5(VI)(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(VI) will be notified no later than eleven business days prior to the applicable Interest Determination Date in writing by the Issuer to the Trustee, the Issuing and Paying Agent, the Calculation Agent and, in accordance with Condition 16, the Noteholders. Such notice shall be irrevocable and shall specify the effective date for such Successor Rate, such Alternative Rate (as the case may be), any related Adjustment Spread and the Benchmark Amendments, if any.

No later than notifying the Trustee of the same the Issuer shall deliver to the Trustee, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Calculation Agent) the Calculation Agent a certificate addressed to the Trustee, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Calculation Agent) the Calculation Agent signed by two authorised signatories of the Issuer:

(i) confirming (1) that a Benchmark Event has occurred, (2) the Successor Rate or the Alternative Rate (as the case may be), (3) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(VI); and

(ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Trustee, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Calculation Agent) the Calculation Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. Further, none of the Trustee, the Issuing and Paying Agent or the Calculation Agent shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to any Successor Rate or Alternative Rate (as applicable) or any other changes and shall be entitled to rely conclusively on such certifications provided to each of them in this regard.

The Successor Rate, the Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate, the Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent's and (if the Benchmark Amendments affect the Calculation Agent) the Calculation Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Issuing and Paying Agent and the Noteholders.

(f) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 5(VI)(a), 5(VI)(b), 5(VI)(c) and 5(VI)(d), the Original Reference Rate and the fallback provisions provided for in Condition 5(II)(b) will continue to apply unless and until the Trustee, the Issuing and Paying Agent and the Calculation Agent have been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 5(VI)(e).

(g) Definitions:

As used in this Condition 5(VI):

"**Adjustment Spread**" means a spread (which may be positive or negative or zero) or a formula or methodology for calculating a spread, in each case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) in the case of a Successor Rate for which no such recommendation has been made, or in the case of an Alternative Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry accepted replacement rate for the Original Reference Rate, to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be); or

(iii) (if the Independent Adviser (in consultation with the Issuer) or the Issuer determines that no such spread, formula or methodology is customarily applied) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be), to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be); or

(iv) (if no such industry standard is recognised or acknowledged), the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines in accordance with Condition 5(VI)(b)) has replaced the Original Reference Rate in customary market usage in the international or if applicable, domestic debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes;

"**Benchmark Amendments**" has the meaning given to it in Condition 5(VI)(d));

"**Benchmark Event**" means the earlier to occur of:

(i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences within the following six months; or

(v) it has become unlawful for the Issuing and Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate; or

(vi) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, by a specified date within the following six months, be deemed to be no longer representative of its relevant underlying market,

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition or restriction of use of the Original Reference Rate and (c) in the case of sub-paragraph (vi) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its

relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Trustee, the Calculation Agent and the Issuing and Paying Agent. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Issuing and Paying Agent shall have any responsibility for making such determination;

"**Independent Adviser**" means an independent financial institution of good repute or an independent financial adviser with experience in the local or international debt capital markets appointed by and at the cost of the Issuer under Condition 5(VI)(a);

"**Original Reference Rate**" means initially, the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes, as specified in the relevant Pricing Supplement, provided that if a Benchmark Event has occurred with respect to the then-original benchmark or screen rate (as the case may be), then "**Original Reference Rate**" means the applicable Successor Rate or the Alternative Rate (as the case may be);

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means the rate that the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

6. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of the Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent or, as the case may be, the Registrar for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

(c) Purchase at the Option of the Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Variable Rate Notes to be purchased (together with all unmatured Coupons and unexchanged Talons (if any)) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Variable Rate Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any other Paying Agent, the Registrar or any other Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes or Certificates representing such Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes or Certificates representing such Variable Rate Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Variable Rate Note (together with all unmatured Coupons and unexchanged Talons (if any)) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Variable Rate Notes to the Registrar. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons (if any)) with the Issuing and Paying

Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons (if any)) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued (if any) to (but excluding) the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any notice of redemption of such Notes.

(e) Redemption at the Option of the Noteholders

(i) If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued (if any) to (but excluding) the date fixed for redemption. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons (if any)) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from the Issuing and Paying Agent, any other Paying Agent, the Registrar, any other Transfer Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(ii) If for any reason a Change of Control Event (as defined below) occurs, the Issuer will within seven days of such occurrence (the "**Transfer Date**") give notice to the Noteholders, the Trustee and the Issuing and Paying Agent of the occurrence of such event (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option) and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest (if any) accrued to (but excluding) the date fixed for redemption, on the date falling 60 days from the Transfer Date (or if such date is not a business day, on the next day which is a business day). To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons (if any)) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed exercise notice in the form obtainable from the Issuing and Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent or the Issuer (as applicable), no later than 45 days from the Transfer Date. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of this Condition 6(e)(ii):

(1) a "**Change of Control Event**" occurs when (aa) any Person or Persons (acting together with its related corporations) (other than a Permitted Holder) acquires or acquire Control of the Issuer if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Issuer on the Issue Date; or (bb) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any other Person or Persons (acting together with its related corporations), unless the consolidation, merger, sale or transfer will not result in such other Person or Persons acquiring Control over the Issuer or the successor entity;

(2) "**Control**" means (i) the ownership or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer or (ii) the right to appoint and/or remove all or the majority of the members of the Issuer's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;

(3) "**Permitted Holder**" means (i) any trusts established for the primary benefit of Dr. Loo Choon Yong and/or his immediate family (as defined below) (each, a "**Loo Family Trust**"); (ii) any of Dr. Loo Choon Yong's executors, administrators, personal representatives or similar representatives; (iii) Dr. Loo Choon Yong and any of Dr. Loo Choon Yong's spouse, child, adopted child, step-child, sibling or parent (collectively, "**immediate family**"); (iv) the trustees of any Loo Family Trust; and/or (v) any company in which Dr. Loo Choon Yong and/or his immediate family, individually or together, directly or indirectly, owns more than 50.0% of the voting rights of the issued share capital of such company; and

(4) "**Person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (determined in accordance with Condition 6(j) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Upon expiry of any such notice as is referred to in this Condition 6(f), the Issuer shall be bound to redeem the Notes in accordance with this Condition 6(f).

Prior to the publication of any notice of redemption pursuant to this Condition 6(f), the Issuer shall deliver to the Trustee and the Issuing and Paying Agent a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal, tax or any other professional advisers of recognised standing (whether or not such opinion is addressed to the Trustee) to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change, amendment, interpretation or pronouncement.

The Trustee and the Issuing and Paying Agent shall be entitled to accept such certificate and opinion (whether it is addressed to the Trustee or the Issuing and Paying Agent or neither of them) as sufficient evidence of the satisfaction of the conditions precedent to the right of the Issuer so to redeem has occurred, in which event it shall be conclusive and binding on the Noteholders.

(g) Redemption upon Cessation or Suspension of Trading of Shares

In the event that (i) the shares of the Issuer cease to be traded on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than seven (7) market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 60 days after the Effective Date (as defined below). The Issuer shall within seven days after the Effective Date, give written notice to the Trustee, the Issuing and Paying Agent and the Noteholders of the occurrence of the event specified in this paragraph (g) (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option). To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons (if any)) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed exercise notice in the form obtainable from the Issuing and Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent or the Issuer (as applicable) no later than 45 days after the Effective Date. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

Upon expiry of any such notice as is referred to in this Condition 6(g), the Issuer shall be bound to redeem the Notes in accordance with this Condition 6(g).

For the purposes of this Condition 6(g):

(1) "**Effective Date**" means (in the case of (i) above) the date of cessation of trading or (in the case of (ii) above) the business day immediately following the expiry of such continuous period of seven (7) market days; and

(2) "**market day**" means a day on which the SGX-ST is open for securities trading.

(h) Redemption in the case of Minimal Outstanding Amount

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Upon expiry of any such notice as is referred to in this Condition 6(h), the Issuer shall be bound to redeem all the Notes in accordance with this Condition 6(h).

(i) Purchases

The Issuer and/or any of its subsidiaries may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons, if any, relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Notes so purchased, while held by or on behalf of the Issuer and/or any of its subsidiaries shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

Notes purchased by the Issuer or any of its subsidiaries may be surrendered by the purchaser through the Issuer to, in the case of Bearer Notes, the Issuing and Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer or, as the case may be, the relevant subsidiary be held or resold.

For the purposes of these Conditions,

(1) "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange; and

(2) "**subsidiary**" has the meaning ascribed to it in the Trust Deed.

(j) Early Redemption of Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Pricing Supplement, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(k) Cancellation

All Notes purchased by or on behalf of the Issuer and/or any of its subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons, if any, to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled promptly (together with all unmatured Coupons and unexchanged Talons, if any, attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

7. Payments

(a) Principal and Interest in respect of Bearer Notes

Payments of principal (which shall include the Redemption Amount and the Early Redemption Amount) and interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of any Paying Agent by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(b) Principal and Interest in respect of Registered Notes

(i) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).

(ii) Interest on Registered Notes shall be paid to the person shown as the holder thereof on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(c) Payments subject to law etc.

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law, regulation or directive implementing an intergovernmental approach thereto, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, any other Paying Agent, the CDP Registrar, the Non-CDP Registrar, the CDP Transfer Agent, the Non-CDP Transfer Agent the CDP Calculation Agent and the Non-CDP Calculation Agent and to appoint additional or other Paying Agents, Registrars, Transfer Agents and Calculation Agents; provided that it will at all times maintain (i) a CDP Issuing and Paying Agent having a specified office in Singapore and (in the case of Non-CDP Notes) a Non-CDP Issuing and Paying Agent, as the case may be, (ii) in relation to Registered Notes, a CDP Registrar having a specified office in Singapore and (in the case of Non-CDP Notes) a Non-CDP Registrar, (iii) a CDP Transfer Agent having a specified office in Singapore and (in the case of Non-CDP Notes) a Non-CDP Transfer Agent, and (iv) a Calculation Agent where the Conditions so require.

Notice of any such change of appointment or any change of any specified office will promptly be given by the Issuer to the Noteholders in accordance with Condition 16.

The Agency Agreement may be amended by the Issuer, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent or sanction of any Noteholder or Couponholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein of a formal, minor or technical nature, to correct a manifest error or to comply with mandatory provisions of Singapore law or which is required by Euroclear and/or Clearstream, the Depository and/or any other clearing system in which the Notes may be held or in any manner which the Issuer, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of the Issuer, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee adversely affect the interests of the Noteholders or the Couponholders.

Any such modification shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees in writing, the Issuer shall cause such modification to be notified to the Noteholders and the Couponholders as soon as practicable and in any event within 14 days of the modification in accordance with Condition 16.

(e) Unmatured Coupons and Unexchanged Talons

(i) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons and unexchanged Talons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five (5) years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption of such Note shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) Default Interest

If on or after the due date for payment of any sum in respect of the Notes or, as the case may be, the Coupons, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to 1.5 per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown in the relevant Pricing Supplement and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

8. Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore); or

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relevant Certificate) or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

9. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three (3) years from the appropriate Relevant Date for payment.

10. Events of Default

If any of the following events ("**Events of Default**") occurs the Trustee at its discretion may (but is not obliged to), and if so requested in writing by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, give notice to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to (but excluding) the date of payment shall become immediately due and payable:

(a) the Issuer does not pay (i) any principal payable by it under any of the Notes when due or (ii) any interest or any other sum (other than principal) payable by it under any of the Notes when due and such default continues for a period of five business days after the due date;

(b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents or any of the Notes and if that default is capable of remedy, it is not remedied within 30 days of the Trustee giving written notice to the Issuer requiring the same to be remedied;

(c) any representation, warranty or statement by the Issuer in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and if the circumstances resulting in such non-compliance or incorrectness is capable of remedy, it is not remedied within 30 days of the Trustee giving written notice to the Issuer requiring the same to be remedied;

(d) (i) any other indebtedness of the Issuer or any of its Principal Subsidiaries in respect of borrowed moneys becomes due and payable prior to its stated maturity by reason of any default, event of default or the like (however described) or is not paid when due (taking into account any originally applicable grace period) or, as a result of any default, event of default or the like (however described) any facility relating to any such indebtedness is or is declared to be cancelled or terminated before its normal expiry date or any person otherwise entitled to use any such facility is not so entitled; or

(ii) the Issuer or any of its Principal Subsidiaries fails to pay when due, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided however that no Event of Default shall occur under paragraph (d)(i) or (d)(ii) above unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned in paragraphs (d)(i) and (d)(ii) above has or have occurred equal or exceeds S$25,000,000 (or its equivalent in other currencies);

(e) the Issuer or any of its Principal Subsidiaries is (or is deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or any material part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or any material part of (or of a particular type of) its indebtedness (or of any material part which it will otherwise be unable to pay when due), applies for a moratorium in respect of or affecting all or any material part of its indebtedness or proposes or makes a general assignment or an arrangement or composition with or for the benefit of creditors (or any class of them) or a moratorium is agreed, effected, declared or otherwise arises in respect of or affecting all or any material part of (or of a particular type of) the indebtedness or property of the Issuer or any of its Principal Subsidiaries;

(f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days;

(g) any security on or over the whole or any material part of the property or assets of the Issuer or any of its Principal Subsidiaries is enforced;

(h) any meeting is convened or any petition or originating summons is presented or any order is made or any resolution is passed or any other procedure or proceeding is taken for the winding-up or dissolution of the Issuer or any of the Principal Subsidiaries (except (i) for any petition or originating summons of a frivolous or vexatious nature which is discontinued, withdrawn, dismissed or struck out within 30 days of the presentation of such petition or originating summons or (ii) (in the case of a Principal Subsidiary only) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (1) which does not involve insolvency and would not have a material adverse effect on the Issuer or (2) on terms approved by an Extraordinary Resolution of the Noteholders), or any corporate action or legal proceeding is taken for the appointment of a liquidator (including a provisional liquidator), receiver, manager, judicial manager, trustee, administrator, agent or similar officer of the Issuer or any of its Principal Subsidiaries or over the whole or any material part of the assets of the Issuer or any of its Principal Subsidiaries;

(i) the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or any material part of its business or (except as permitted by, and in accordance with, Clause 16(y) of the Trust Deed) disposes or threatens to dispose of the whole or any material part of its assets;

(j) any step is taken by any person acting under the authority of any national, regional or local governmental authority or agency with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any material part of the assets of the Issuer or any of its Principal Subsidiaries and, in relation to the Principal Subsidiaries only, such event is likely to materially and adversely affect the ability of the Issuer to perform or comply with its obligations under any of the Issue Documents or any of the Notes;

(k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 16(v) of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

(l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its payment and other material obligations under any of the Issue Documents or any of the Notes;

(m) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;

(n) any litigation, arbitration or administrative proceeding (other than those which are of a frivolous or vexatious nature or which are contested in good faith and discharged within 45 days of its commencement) is current or pending against the Issuer or any of its Principal Subsidiaries (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Issue Documents or any of the Notes or (ii) which has or is likely to have a material adverse effect on the Issuer;

(o) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h) or (j); and

(p) the Issuer or any of its Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act 1967 of Singapore.

11. Enforcement of Rights

At any time after an Event of Default shall have occurred (and has not been waived, provided that nothing herein shall restrict the Trustee from exercising its rights under this Condition 11 where an Event of Default has occurred and the Issuer has not begun seeking or is in the process of seeking but has not yet obtained a waiver) or after the Notes shall have become due and payable, the Trustee may, but shall not be obliged to, without further notice to the Issuer or the Noteholders or Couponholders institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes and payment of accrued interest and/or to enforce the provisions of the Issue Documents, but it shall not be bound to take any such steps (including, without limitation, giving notice that the Notes are due and payable in accordance with Condition 10) to enforce the performance by the Issuer of any of the provisions of the Issue Documents or of the Notes or the Coupons unless (a) it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Notes for the time being outstanding or so directed by an Extraordinary Resolution and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all actions, proceedings, claims, demands and liabilities to which it may thereby become liable and all costs, charges, damages and expenses which may be incurred by it in connection therewith. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer to enforce the performance of any of the provisions of the Issue Documents, the Notes or the Coupons unless the Trustee, having become bound as aforesaid to take proceedings, fails or neglects to do so within a reasonable period and such failure or neglect is continuing.

12. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than 10 per cent. of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes or the Coupons, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may at any time or times without any consent or sanction of the Noteholders or the Couponholders concur with the Issuer in making any modification (a) to the Trust Deed (other than any provision of the Trust Deed referred to in the proviso to paragraph 2 of Schedule 5 of the Trust Deed) or any of the other Issue Documents which in the opinion of the Trustee it may be expedient to make, provided the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders or the Couponholders or (b) to the Trust Deed (including any provision of the Trust Deed referred to in the proviso to paragraph 2 of Schedule 5 of the Trust Deed) or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature, to correct a manifest error or to comply with mandatory provisions of Singapore law or (in the event the Notes are listed) is required by any Stock Exchange (as defined in the Trust Deed) or is required by Euroclear and/or Clearstream and/or the Depository and/or any other clearing system in which the Notes may be held. Any such modification shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees in writing, the Issuer shall cause such modification to be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 16.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

13. Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 16, on payment by the claimant of the expenses and duties incurred in connection therewith and on such terms as

to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding notes of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 14 and forming a single series with the Notes. Any further notes forming a single series with the outstanding notes of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other series where the Trustee so decides.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment and from taking action to convene meetings unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it (or any director or officer of the Trustee or any corporation related to the Trustee or any company or person in any other way associated with the Trustee) to make contracts or enter into transactions with the Issuer (or any of its related corporations) in the ordinary course of business or to act as an agent in respect of the Notes, the Coupons or the Talons, whether directly or through a subsidiary or associated company, or to accept the trusteeship of any other debenture stock, debentures or securities of the Issuer (or any of its related corporations), or any company in which the Issuer is interested without accounting to the Noteholders or Couponholders or to the Issuer (or any of its related corporations) for any profit, fees, commissions, discounts or share of brokerage resulting from any such contracts or transactions.

Each Noteholder and Couponholder shall be solely responsible for making and continuing to make its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder and Couponholder shall not rely on the Trustee in respect thereof.

The Trustee may rely without liability to Noteholders on any report, confirmation or certificate or any advice of any accountants, financial advisers, legal advisers, financial institutions or any other expert, whether or not addressed to it and whether or not their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise.

16. Notices

Notices to the holders of Registered Notes shall be in the English language or, if not in the English language, accompanied by a certified translation into the English language, and shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Notes will be valid if published in a daily newspaper in the English language having general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

So long as the Notes are listed on the SGX-ST, notices to the holders of such Notes shall also be valid if published on the website of the SGX-ST at http://www.sgx.com. Any such notice shall be deemed to have been given to the Noteholders on the date of such publication or, if published more than once, on the first date on which publication is made.

In the case where notices to holders of Notes are made by more than one of the prescribed methods above, notice would be deemed to have been given on the date on which the first of such notices was validly given in accordance with the paragraphs above.

Until such time as any Definitive Notes are issued, there may, so long as the Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held in its or their entirety on behalf of Euroclear, Clearstream, the Depository and/or any other clearing system, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, (subject to the agreement of the Depository) the Depository and/or such other clearing system for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be given or published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, the Depository and/or such other clearing system.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relevant Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Certificates). Whilst the Notes are represented by a Global Note or a Global Certificate, such notice may be given by any Noteholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, the Depository and/or such other clearing system in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, the Depository and/or such other clearing system may approve for this purpose.

Notwithstanding the other provisions of this Condition 16, in any case where the identities and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

17. Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Notes, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Notes, the Coupons or the Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes, the Coupons or the Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

18. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 2001 of Singapore.

CDP Issuing and Paying Agent, CDP Registrar, CDP Transfer Agent and CDP Calculation Agent
The Bank of New York Mellon, Singapore Branch
One Temasek Avenue
#02-01 Millenia Tower
Singapore 039192

Non-CDP Issuing and Paying Agent and Non-CDP Calculation Agent
The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

Non-CDP Transfer Agent and Non-CDP Registrar
The Bank of New York Mellon SA/NV, Dublin Branch
Riverside II
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

DESCRIPTION OF THE ISSUER

HISTORY AND BACKGROUND

The Group was founded in 1976 and was listed on the Stock Exchange of Singapore Dealing and Automated Quotation System (which has since been replaced by the Catalist Board of the SGX-ST) in 1997, before transferring its listing to the Mainboard of the SGX-ST in 2000. The Group is a leading integrated private healthcare provider in Asia, providing comprehensive services from primary to tertiary care. The Group operates medical facilities in 14 cities across Singapore, China, Hong Kong, Japan, Vietnam and Cambodia under the "Raffles" brand, and is the only private medical provider in Singapore that owns and operates a fully integrated healthcare organisation comprising a tertiary hospital, a network of family medicine and dental clinics, insurance services, Japanese and Traditional Chinese Medicine ("**TCM**") clinics, and a consumer healthcare division.

The Group has served over two million patients and has approximately 7,000 corporate clients. Through its team of more than 2,500 medical practitioners, nurses, allied health workers, healthcare managers and support staff, the Group provides seamless, integrated care to its patients, from treating basic medical problems to managing chronic conditions and severe illnesses requiring specialist treatment and complex surgery.

The Group continues to enhance its service offerings to meet the evolving needs of its patients, having recently invested in the Raffles Radiotherapy Centre which offers the use of the state-of-the-art Varian TrueBeam linear accelerator with HyperArc competencies, as well as Magnetic Resonance Imaging ("**MRI**") and Positron Emission Tomography-Computed Tomography ("**PET-CT**") simulation with 4D capabilities, in radiotherapy and cancer management. The Group had also recently relocated the Raffles Eye Centre to the Raffles Specialist Centre and expanded its service offerings to include, amongst others, refractive surgeries such as Laser-Assisted In Situ Keratomileusis ("**LASIK**") and Photorefractive Keratectomy ("**PRK**"). In addition, the Group offers robotic-assisted surgeries through the latest da Vinci Robotic Assisted Surgical System that allows complex surgeries to be executed with greater precision, safely and with reduced patient recovery downtime.

Central to the Group's operating philosophy is its institutional group practice model where medical practitioners are employees of the Group (the "**Group Practice Model**"). The Group Practice Model harnesses the different strengths of the team caring for the patient. Specialists come together in multi-disciplinary teams to ensure that each patient receives co-ordinated, quality and affordable care. With this model, there is stronger accountability, better deployment of individual talents and the team pools its expertise to diagnose and treat illnesses quickly, efficiently and accurately.

The Group operates through the following segments:

(a) **Hospital Services**

The hospital services segment comprises the provision of specialised medical services and operation of hospitals and the business of medical laboratories and imaging centres.

As at the Latest Practicable Date, the Group operates Raffles Hospital, a private tertiary hospital in Singapore with 25 specialist centres offering a comprehensive range of medical services and Raffles Hospital Chongqing, a hospital with a potential total bed capacity of 700. In addition, Raffles Hospital Shanghai, a hospital with a potential total bed capacity of 400, has recently commenced operations in 2021. The Group has also completed the conversion of Beijing International Clinic to Raffles Hospital Beijing, a Class 1 Hospital with 21 beds which offers 24-hour emergency and inpatient care, laparoscopic surgeries, endoscopic procedures and advanced diagnostic radiology services such as computed tomography ("**CT**") scans and MRI scans, amongst others.

For FY2020 and FY2021, the hospital services segment contributed to approximately 50% and 41% of the Group's total revenue for reportable segments, respectively.

(b) **Healthcare Services**

The healthcare services segment comprises the operation of medical and dental 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.

As at the Latest Practicable Date, the Group operates more than 60 multi-disciplinary clinics in 14 cities across Singapore, China, Hong Kong, Japan, Vietnam and Cambodia, providing services including, among others, general practice and family medicine, emergency services, health screening, immunisation and minor surgery. In particular, the Group has more than 50 clinics in Singapore, with some of the clinics providing dental and selected specialist services.

The Group, through Raffles Health Insurance Pte Ltd ("**RHI**"), also provides healthcare insurance solutions to corporate and individual clients.

For FY2020 and FY2021, the healthcare services segment contributed to approximately 45% and 54% of the Group's total revenue for reportable segments, respectively.

(c) **Investment Holdings**

The investment holdings segment comprises investment properties and retail space leased for rental income.

For FY2020 and FY2021, the investment holdings segment contributed to approximately 5% and 5% of the Group's total revenue for reportable segments, respectively.

The Group also has representative offices in Indonesia, Vietnam, Cambodia, Brunei and Bangladesh, as well as associates throughout the Asia Pacific region.

SIGNIFICANT MILESTONES

The following sets out some of the significant milestones in the Group's corporate history:

- In 1976, the Group was founded when Dr. Loo Choon Yong and Dr. Alfred Loh Wee Tiong acquired an existing medical practice with two clinics in Singapore.

- In 1990, the Group was appointed by the Civil Aviation Authority of Singapore to provide routine and emergency medical services to all airline staff and tenants working at Changi Airport, as well as visitors passing through Changi Airport.

- In 1992, the Group set up Raffles Diagnostica to provide laboratory and radiology services to complement the Group's medical services.

- In 1993, the Group opened Raffles SurgiCentre, the first free-standing day surgery centre in Southeast Asia.

- In 1995, the Group set up Raffles Medical Hong Kong, the Group's first overseas clinic.

- In 1997, the Issuer was listed on the Stock Exchange of Singapore Dealing and Automated Quotation System (which has since been replaced by the Catalist Board of the SGX-ST).

- In 2000, the Issuer was listed on the Mainboard of the SGX-ST.

- In 2001, Raffles Hospital commenced operations.

- In 2003, the Group established the Asian Medical Foundation (formerly known as Medical Foundation Limited), the Group's humanitarian arm which aims to help the needy and underprivileged through financial assistance and community projects.

- In 2005, the Group launched its insurance operations through RHI (formerly known as International Medical Insurers Pte. Ltd.) to provide healthcare insurance to corporates and individuals in Singapore.

- In 2015, Raffles Medical Centre Orchard, an integrated multi-disciplinary medical centre providing a full range of medical and specialist services, commenced operations. Raffles Hospital entered into the Emergency Care Collaboration ("**ECC**") scheme with the Ministry of Health, a joint initiative to manage emergency patients in Singapore. In the same year, the Group further expanded its operations overseas by opening a clinic in Osaka and acquiring 10 International SOS clinics across North Asia.

- In 2016, Raffles Holland V, a health and wellness lifestyle mall, which also houses Raffles Medical's integrated multi-disciplinary medical centre, commenced operations.

- In 2018, Raffles Specialist Centre, an extension to Raffles Hospital currently providing services through new centres such as the Raffles Breast Centre, the Raffles Eye Centre, the Raffles Robotics Centre and the Raffles Radiotherapy Centre, commenced operations. In the same year, the Group became the first and only private tertiary hospital to be accredited and certified as a trauma hospital by the National Trauma Committee of Singapore. RHI also launched Raffles Shield, a Medisave-approved Integrated Shield Plan which offers additional benefits on top of what is provided by MediShield Life.

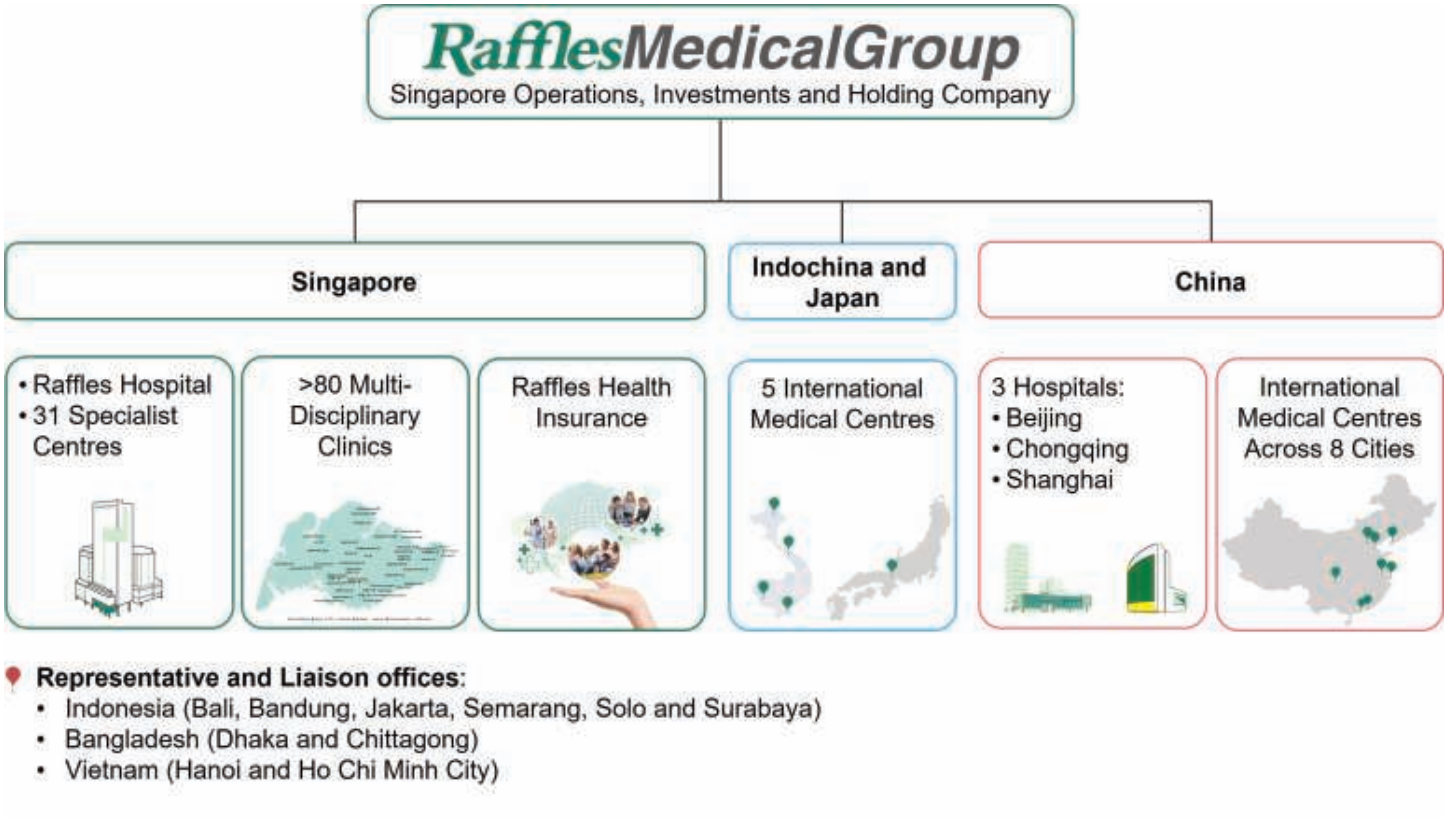
- In 2019, Raffles Hospital Chongqing commenced operations. The Group also launched Raffles Connect, its one-stop e-healthcare platform.

- In 2020, Raffles Medical was one of the first in Singapore to be accredited as Public Health Preparedness Clinics and Swab and Send Home clinics at the onset of the pandemic. Raffles Connect also became the first to launch an in-app end-to-end booking service of SARS-CoV-2 ("**COVID-19**") Polymerase Chain Reaction ("**PCR**") tests with digital certification in Singapore. Further, the Group also completed the conversion of Beijing International Clinic to Raffles Hospital Beijing, a Class 1 Hospital with 21 beds which offers 24-hour emergency and inpatient care, laparoscopic surgeries, endoscopic procedures and advanced diagnostic radiology services such as CT scans and MRI scans, amongst others.

- In 2021, Raffles Hospital Shanghai commenced operations.

GROUP OPERATIONAL STRUCTURE

The operational structure of the Group as at the Latest Practicable Date is as follows:



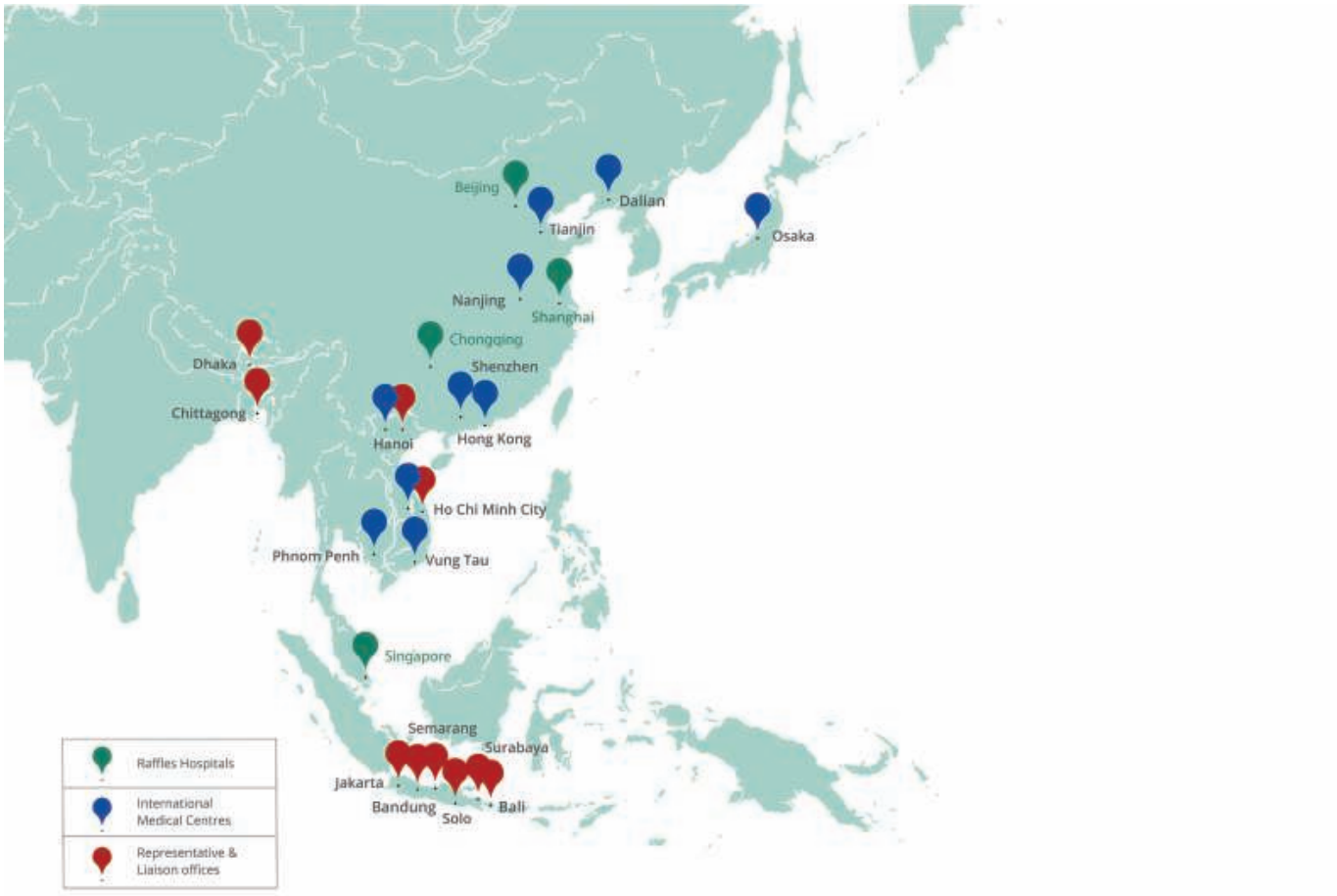
Overview

The Group's operations are categorised into hospital services and healthcare services segments. The hospital services segment is engaged in the provision of specialised medical services and operation of hospitals as well as the business of medical laboratories and imaging centres. The healthcare services segment comprises the operation 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. An overview of the services provided by the Group is set out below:

Operations in Singapore



Global Operations



As at the Latest Practicable Date, the Group serves over 7,000 corporate clients from Singapore, China and Indochina, including Singapore Changi Airport and Hong Kong International Airport. The Group also serves individual patients from Asia and beyond who visit the Group's clinics and/or are referred for specialist treatment at Raffles Hospital, Raffles Hospital Chongqing, Raffles Hospital Beijing and Raffles Hospital Shanghai. In addition, as at the Latest Practicable Date, there are approximately 400 physicians who practise in the Group's clinics and specialist centres, treating approximately 4,500 patients daily.

Summary financial performance of the Group

The following table sets out the breakdown of revenue by business segments and by geographical locations of the Group for the financial years ended 31 December 2019, 2020 and 2021.

Breakdown of revenue by business segments

	FY2019 S$'000	FY2020 S$'000	FY2021 S$'000
Hospital Services	306,434	312,795	346,101
Healthcare Services	238,718	281,265	458,749
Investment Holdings	33,724	32,743	39,691
Total(1)	578,876	626,803	844,541

Note:

(1) Prior to inter-segment elimination.

Breakdown of revenue by geography

	FY2019 S$'000	FY2020 S$'000	FY2021 S$'000
Singapore	462,245	518,037	660,448
China	40,021	34,292	49,292
Rest of Asia	19,772	15,874	14,051
Total	522,038	568,203	723,791

Principal Activities

Set out below is a description of the Group's principal activities:

Hospital Services

Raffles Hospital

Raffles Hospital is a tertiary hospital located in Singapore with more than 300 inpatient beds. The hospital offers a full complement of specialist and emergency services combined with advanced medical technology to its patients.

Raffles Hospital's range of medical and surgical facilities include day surgery suites, operating theatres, delivery suites, intensive care unit, neonatal intensive care unit, radiology, clinical laboratory, nuclear medicine, radiotherapy and dental services.

Raffles Hospital also houses a 24-hour Accident and Emergency Department which is fully equipped and staffed to manage high-risk injuries and critical medical conditions. As at the Latest Practicable Date, Raffles Hospital is the only private tertiary hospital in Singapore certified by the Ministry of Health as a trauma centre and is authorised to provide emergency treatment to patients brought in by public ambulances under the ECC scheme.

Raffles Specialist Centre, an extension to Raffles Hospital currently providing services through new centres such as the Raffles Breast Centre, the Raffles Eye Centre, the Raffles Robotics Centre and the Raffles Radiotherapy Centre, commenced operations in 2018. As at the Latest Practicable Date, Raffles Hospital provides services through its 25 specialist centres and satellite specialist clinics, further as described below:

(a) ***Raffles Breast Centre***

Helmed by an experienced team of breast surgeons, Raffles Breast Centre provides diagnosis, investigation, treatment and long-term care of breast diseases and tumours. Raffles Breast Centre also offers core and vacuum assisted biopsies, advanced breast surgery as well as breast reconstructions after radical breast surgery.

(b) ***Raffles Cancer Centre***

Raffles Cancer Centre delivers cancer care, ranging from screening and diagnosis, to treatment and long-term care. In line with the Group Practice Model, Raffles Cancer Centre comprises a multidisciplinary team that provides holistic cancer care, including treatments such as chemotherapy, radiotherapy, nuclear therapeutics, immunotherapy and bone marrow transplant.

(c) ***Raffles Children Centre***

Raffles Children Centre is a one-stop clinic for infants and children, providing services such as paediatric medicine, nephrology, gastroenterology, neonatology, paediatric surgery, dermatology as well as childhood behaviour and development diagnosis and treatment plan.

(d) ***Raffles Chinese Medicine***

Raffles Chinese Medicine is the TCM unit of the Group. It aims to offer its patients the benefits of TCM that are established, safely administered and managed according to modern quality standards.

In keeping with the Group Practice Model, the medical practitioners at Raffles Chinese Medicine work closely with the Group's western medicine specialists to co-manage patients in clinical interests such as fertility and women's health, pain management, sub-health management and cancer complementary care.

(e) ***Raffles Counselling Centre***

Raffles Counselling Centre provides services including therapies and medications and range from family and individual counselling to behavioural modification.

In addition to providing professional services on mental health issues, Raffles Counselling Centre also provides psychological testing for a wide range of needs such as organic brain injuries, career counselling, psychological profiling for employment, psychiatric legal problems, psychological screening for maids and other psychological testing such as the Sixteen Personality Factor Questionnaire ("**16PF**"), the Minnesota Multiphasic Personality Inventory ("**MMPI**") and intelligence quotient tests.

Raffles Counselling Centre's team of psychiatrists, psychologists and therapists are trained in couple and family care, child and adolescent services as well as art and music therapy.

(f) ***Raffles Dental***

Raffles Dental is an established team-based dental practice comprising of over 18 dental specialists and general dental surgeons in Raffles Hospital and the Group's wide network of clinics conveniently located across Singapore. Raffles Dental provides a comprehensive range of services such as general dental treatment, endodontics, oral and maxillofacial surgery, orthodontics, periodontics and prosthodontics including whole mouth rehabilitation, to prevent, diagnose and treat a wide range of dental and oral diseases. Raffles Dental also provides 24-hour dental emergency services at Raffles Hospital as well as pre-radiation treatment dental clearance for cancer patients.

(g) ***Raffles Diabetes & Endocrine Centre***

Raffles Diabetes & Endocrine Centre offers an individualised evidence-based care system for patients with diabetes, thyroid, parathyroid, adrenal, and other less common conditions related to hormonal imbalances. Its team of endocrinologists is supported by a specialised team including dieticians, diabetic nurses, podiatrists and ophthalmologists who advise patients on their specific needs.

(h) ***Raffles Dialysis Centre***

Raffles Dialysis Centre provides continuous renal replacement therapy ("**CRRT**"), haemodialysis and peritoneal dialysis for both inpatients and outpatients with chronic or acute chronic renal failure requiring treatment. The focus of the Raffles Dialysis Centre is to provide quality clinical care and enhance the quality of life for its patients with chronic kidney disease.

(i) ***Raffles ENT Centre***

The Group's ear, nose, throat ("**ENT**") specialists at the Raffles ENT Centre evaluate and treat both children and adults with ear, nose, throat, head and neck problems. These may include loss of hearing, balance and coordination, ringing in the ears, sinuses, and voice and speech disorders.

In addition, the Group's ENT surgeons manage obstructive sleep apnoea and attend to related structures of the head and neck. The Raffles ENT Centre is supported by a team of specialist nurses and speech therapists.

(j) ***Raffles Eye Centre***

Raffles Eye Centre provides a full range of medical and surgical services, from screening for myopia to LASIK, cataract and refractive surgery, amongst others. Its ophthalmologists, together with its optometrists and opticians, provide both routine and complex care for patients of all ages who have eye diseases, vision disorders or ocular emergencies.

(k) ***Raffles Fertility Centre***

Raffles Fertility Centre offers a full spectrum of fertility treatment options. It is known for its eminence in diagnosing, treating and supporting couples with fertility issues and is accredited by Australia's Reproductive Technology Accreditation. As at the Latest Practicable Date, Raffles Fertility Centre continues to satisfy the requirements of The Fertility Society of Australia Reproductive Technology Accreditation Committee Code of Practice (International Edition).

(l) ***Raffles Health Screeners***

Raffles Health Screeners is a dedicated health screening centre that offers holistic, comprehensive and a personalised approach to preventive care. It offers health screening tests including cancer screening, lung function test, cardiac assessments and radiological tests.

(m) ***Raffles Heart Centre***

Raffles Heart Centre is a one-stop centre which provides services in relation to cardiovascular health, including in-depth cardiac assessment screening, diagnosis, and treatment of heart conditions such as arrhythmia, coronary and valvular heart disease, high blood pressure, and high cholesterol. Treatments offered include coronary angiography, stenting, electrophysiology studies, catheter ablations, cardiac device implantations and cardiac surgery.

(n) ***Raffles Internal Medicine Centre***

Raffles Internal Medicine Centre offers prevention, diagnosis and treatment for a wide range of medical sub-specialities, including gastroenterology, geriatric medicine, nephrology, rheumatology and allergy and pulmonology.

(o) ***Raffles Japanese Clinic***

Raffles Japanese Clinic is solely staffed by doctors from Japan and it provides a comprehensive range of services including family medicine, gastroenterology, obstetrics and gynaecology, paediatrics, dermatology, and dental care. Raffles Japanese Clinic caters to Japanese patients living in Singapore, as well as those from the region who come to Singapore to receive medical care.

Raffles Japanese Clinic introduced new comprehensive premium health screening packages in 2008. It is also the first Japanese clinic to provide patients drug information for their prescription and a new health screening report format similar to that used in Japan, to enhance the familiarity factor and help patients feel at home.

(p) ***Raffles Neuroscience Centre***

Raffles Neuroscience Centre provides services in relation to neurology, neurosurgery and interventional neuroradiology. The specialists work as a team to provide patients with medical services that are integrated, peer reviewed and medically audited.

(q) ***Raffles Nuclear Medicine Centre***

Raffles Nuclear Medicine Centre is an advanced imaging and nuclear therapeutics facility. It boasts the advanced mCT flow Positron Emission Tomography ("**PET**") scanner and the top of the line Siemens Skyra 3T MRI scanner.

(r) ***Raffles Orthopaedic Centre***

Raffles Orthopaedic Centre comprises a team of sub-specialised orthopaedic surgeons, nurses and therapists to provide patients with a one-stop solution for their orthopaedic conditions including trauma and sport injuries. It also provides support services such as physiotherapy, occupational therapy, acupuncture and a full range of radiology and diagnostic services.

(s) ***Raffles Pain Management Centre***

Raffles Pain Management Centre provides patients with chronic pain issues with access to a variety of treatment options including medication, physiotherapy, occupational therapy, exercise training, interventional pain treatment (such as trigger point injections, epidural steroid injections, nerve blocks, radiofrequency thermoablation, spinal cord stimulation and intrathecal drug delivery), acupuncture and traditional Chinese medication.

(t) ***Raffles Radiology***

Raffles Radiology provides a comprehensive range of imaging services including MRI, CT Fluoroscopy, mammography, ultrasounds and X-rays. While the main imaging centre is located within Raffles Hospital, Raffles Radiology has six satellite imaging centres across Singapore.

(u) ***Raffles Radiotherapy Centre***

Raffles Radiotherapy Centre offers personalised radiation treatments for patients with cancer using the state-of-the-art Varian TrueBeam linear accelerator with HyperArc capabilities. Treatments offered include intensity/volume modulated arc radiation therapy ("**IMRT/VMAT**"), image guided radiation therapy ("**IGRT**"), stereotactic body radiation therapy ("**SBRT**") and stereotactic radiosurgery ("**SRS**").

(v) ***Raffles Rehabilitation Centre***

Raffles Rehabilitation Centre comprises a team of therapists, including physiotherapists, occupational therapists, podiatrists and speech therapists, providing knowledge and expertise to patients with pain conditions and disabilities. It also provides therapeutic treatments such as therapeutic ultrasound, heat/cold therapy, traction and electronic stimulation.

(w) ***Raffles Robotics Centre***

Raffles Robotics Centre uses robotic technology to assist surgeons in performing minimally invasive surgeries. Equipped with the latest da Vinci Robotic Assisted Surgical System, complex surgeries can be executed with greater precision, safety and with reduced patient recovery downtime.

(x) ***Raffles Skin & Aesthetics Centre***

Raffles Skin & Aesthetics Centre, helmed by a team of dermatologists and plastic surgeons, offers a range of specialist procedures including medical dermatology, skin allergy screening, skin surgery, aesthetic skin treatments and aesthetic plastic surgery.

(y) ***Raffles Surgery Centre***

Raffles Surgery Centre offers an extensive range of surgical sub-specialties that provides patients with accurate and defined diagnosis, suitable management alternatives and appropriate surgical options for varied medical conditions. Its scope of services includes general surgery, colorectal surgery, head and neck surgery, thoracic surgery, breast surgery and bariatric surgery.

(z) ***Raffles Urology Centre***

Raffles Urology Centre specialises in the treatment and care of both male and female urological conditions. Equipped with both state-of-the-art and minimally invasive technologies and supported by the Raffles Robotics Centre, the Raffles Urology Centre offers accurate disease evaluation and management. It provides a multidisciplinary, one-stop service in the treatment of the kidney, bladder, urinary tract conditions, as well as concerns affecting the male reproductive system.

(aa) ***Raffles Women's Centre***

Raffles Women's Centre is an integrated obstetrics and gynaecological specialist centre that has one of the largest teams of obstetricians and gynaecologists in the private healthcare sector. Raffles Women's Centre offers state-of-the-art facilities and its team of counsellors, nurses, and midwives provide care for women of all ages.

Raffles Hospital Chongqing

Raffles Hospital Chongqing, a tertiary hospital located in Chongqing, China with a potential total bed capacity of 700 beds, is currently operating a 24-hour emergency service and offers a suite of specialist services in various areas including internal medicine, surgery, orthopaedics, cardiology, obstetrics and gynaecology, paediatrics, ENT, eye, skin & aesthetics, dentistry and oncology. It has a full range of facilities including inpatient wards/suites, day surgery, operating theatres, adult and neonatal intensive care units, imaging centre and clinical laboratory.

The Raffles Hospital Chongqing medical panel and management comprises a mix of reputable local professionals and top international talents in the healthcare industry including medical practitioners, nurses, allied health professionals and managers from Singapore, Hong Kong, Taiwan, Malaysia, Australia, Canada, Britain and Europe.

In 2019, the Group successfully applied to be a designated hospital under Chongqing's social health insurance programme, Yibao, making Raffles Hospital Chongqing one of the few international hospitals accepted into this national programme. Yibao allows local patients to be reimbursed for their medical expenditure.

To complement its obstetrics and gynaecology services, Raffles Hospital Chongqing also offers confinement services to new mothers. Spread over two floors, the confinement centre provides post-natal treatments as well as recreational facilities.

Raffles Hospital Beijing

Raffles Hospital Beijing is a Class 1 Hospital with 21 beds which offers 24-hour emergency and inpatient care, laparoscopic surgeries, endoscopic procedures and advanced diagnostic radiology services such as CT scans and MRI scans, amongst others.

Raffles Hospital Shanghai

Raffles Hospital Shanghai, a tertiary hospital located in Shanghai, China, with a potential total bed capacity of 400 beds, has recently commenced operations in 2021.

In addition to 24-hour emergency services, Raffles Hospital Shanghai intends to focus on specialties in cardiology, internal medicine, obstetrics and gynaecology, paediatrics, dentistry, orthopaedics and sports injury management, amongst others.

Healthcare Services

Raffles Medical

The Group operates a network of over 70 primary, including dental, specialist and healthcare, centres in 14 cities across Singapore, China, Hong Kong, Japan, Vietnam and Cambodia. The Group's network of primary healthcare centres often serves as the first point of contact for patients seeking medical care and to best serve such patients, such centres are strategically located near areas where such patients are located. Patients who require specialist medical care are typically referred by the Group's primary healthcare centres to its specialist centres.

The Group provides primary healthcare services through a network of more than 50 clinics in Singapore. The services offered by the Group's clinics include consultations for common ailments requiring non-specialist medical care, health screenings and health checks, travel health services, vaccinations and workplace health consultancy, dental care and dental surgery. With the aim of bringing specialist paediatric care into the heartlands, the Group has recently launched its ambulatory paediatric service branded as Raffles Juniors, which is based in Waterway Point in

Punggol where it offers a continuum of care spanning from urgent care to managing chronic conditions, developmental assessment and advice as well as mother-care support and vaccinations.

In addition, the Group provides healthcare services through approximately 20 international medical centres located in Beijing, Chongqing, Dalian, Nanjing, Tianjin and Shanghai, Hong Kong, Osaka, Shenzhen, Hanoi, Phnom Pneh, Ho Chi Minh City and Vung Tau. In addition to primary healthcare services, some international medical centres also provide specialist services, including paediatrics, ENT, ophthalmology and dermatology.

The Group has also launched "telemedicine" through the establishment of Raffles Connect, its one-stop e-healthcare platform. Through this platform, patients can book medical appointments, access their personal health records, receive health advisories and personalised health tips, access emergency services and purchase health supplements. This platform also offers a round-the-clock telemedicine service that allows patients to see a medical practitioner through a video-consultation, and have their prescribed medication delivered to their doorstep. In response to the COVID-19 pandemic, the Group has expanded its telemedicine capability to its international patients who may be unable or unwilling to seek medical treatment in Singapore as well as provide supervised self-administered Antigen Rapid Tests.

Raffles Insurance

RHI was incorporated in 2004 and commenced operations on 2 January 2005 as a general insurer and converted into a life insurer in March 2006 under the purview of the MAS.

RHI is a leading healthcare insurance specialist in Singapore. Supported by the Group's wide network of family medicine clinics and Raffles Hospital, RHI provides a fully integrated and coordinated healthcare service to its policy owners and members. RHI strives to be the preferred healthcare partner and service provider, specialising in providing its customers with a healthcare financing solution which caters to their healthcare needs.

RHI works with corporate customers to design appropriate employee benefits programs suited to the needs of their organisations, and further provide a seamless and integrated healthcare experience to their employees.

As part of the Group's strategic expansion plan, RHI entered the integrated shield market by launching the Raffles Shield in August 2018. The main aim of the Raffles Shield is to provide hospital and surgical coverage, as well as promote healthcare by providing policyholders access to affordable health management and wellness programs. Raffles Shield is intended to encourage responsible and appropriate healthcare consumption across various stakeholders to reduce premiums payable by policyholders and the total cost of healthcare in the long run.

Since 2008, RHI has partnered with Bupa Global[1] to offer a wide range of international private health plans, which are co-insured by RHI and Bupa Global, to cater to the needs of individuals and corporate clients of the international business community in Singapore. RHI also leverages on the international infrastructure and expertise of Bupa Global in understanding the needs of expatriates and the international business community, so as to provide comprehensive global healthcare financing solutions.

[1] Bupa Global is the trading name of Bupa Insurance Services Limited, which is the international administrator of RHI's international health plans in Singapore.

Raffles Healthcare Institute

Raffles Healthcare Institute ("**RHCI**") is the educational arm of the Group. It was set up in July 2013 with the objective of contributing to the training of local and overseas healthcare professionals to meet the growing healthcare manpower development needs.

RHCI currently has partnerships with educational institutions within Singapore, providing and arranging placements in Raffles Hospital and the Group's network of clinics for undergraduates and advanced specialty students to help them gain clinical and leadership learning experiences. Recently, RHCI has forged a Memorandum of Understanding with the Health Management International Ltd ("**HMI**") Group to provide clinical attachment placements for HMI Group trainees.

Further, RHCI has been accredited (with distinction) by the American Nurses Credentialing Centre ("**ANCC**") as a provider of high-quality Nursing Continuing Professional Development ("**NCPD**") education. The ANCC accreditation is an international recognition of excellence in NCPD. The high calibre programs developed under ANCC criteria prepare the Group's nurses for advanced nursing practice and improved clinical outcomes. Nurses trained under each of RHCI's NCPD courses will be awarded internationally recognised certificates that carry both the RHCI and the ANCC logos. Foreign nurses will especially benefit from such certification with improved career mobility when they return to work in their home countries.

See "*– Strategies and Future Plans – Attract and retain healthcare personnel*" for further details.

Raffles Health

Raffles Health, the Group's consumer healthcare division, develops and distributes a full range of nutraceuticals, supplements, vitamins and medical diagnostic equipment for personal healthcare in Singapore and in the regional markets.

STRATEGIES AND FUTURE PLANS

The Group seeks to offer consistently affordable high quality healthcare services, to recruit and retain medical practitioners to expand the services offered in its healthcare business and to negotiate favourable contracts with its corporate clients. Set out below are the Group's key business strategies and future plans.

Strengthen and further enhance the Group's presence in existing markets with strategic initiatives for organic growth

Taking into account the local healthcare market dynamics and related trends, the Group has tailored strategies for each of its key markets that allow it to leverage on its competitive strengths. In Singapore, the Group intends to grow its operations through the addition of more specialist clinics and medical facilities to its network in order to broaden its service offerings. For example, in 2018, the Group opened Raffles Specialist Centre, an extension to Raffles Hospital currently providing services through new centres such as the Raffles Breast Centre, the Raffles Eye Centre, the Raffles Robotics Centre and the Raffles Radiotherapy Centre. This will enable the Group to strengthen its position as a leading integrated private healthcare provider in Singapore.

In China, the Group is focused on growing its hospitals' profile and patient load. For example, Raffles Hospital Chongqing aims to target affluent local patients who seek better levels of service at private facilities. Despite the COVID-19 pandemic, Raffles Hospital Chongqing has achieved more than double its patient loads in FY2021 from FY2020. With the view of increasing patient load capacity, the Group also completed the conversion of Beijing International Clinic to Raffles Hospital Beijing, a Class 1 Hospital with 21 beds which offers 24-hour emergency and inpatient care, laparoscopic surgeries, endoscopic procedures and advanced diagnostic radiology services such as CT scans and MRI scans, amongst others. Raffles Hospital Beijing similarly targets a mix

of affluent local patients and expatriate patients to use their services. Additionally, Raffles Hospital Shanghai has recently commenced operations in 2021, thereby allowing the Group to expand its footprint in China.

Continue to capture growth in medical travel

The Group expects medical travel to be a key growth driver for its business when the travel restrictions due to COVID-19 have been lifted. The medical travellers the Group targets typically favour a recognised brand name as well as a reputation for clinical excellence. The Group believes that it is well positioned to enhance its leadership position in the medical travel market through the continued provision of quality healthcare services and a growing presence in strategic locations across Singapore and across Asia.

Singapore is a key hub for medical travel in Asia and also acts as an important evacuation centre for emergency treatments in the Southeast Asia region. Notwithstanding that the number of foreign patients seeking the Group's services at Raffles Hospital and its clinics in Singapore has decreased by more than 25% in FY2021 since FY2019, the Group expects the demand for its services from medical travellers to increase when the travel restrictions due to COVID-19 have been lifted.

Attract and retain healthcare personnel

Being able to attract and retain medical practitioners, nurses and other healthcare professionals of the highest quality is critical to the Group's plans to expand its hospital and clinics network. The Group focuses on the continuous professional development of its medical practitioners, nurses and other healthcare professionals through conferences, seminars and training workshops, so that they are at the forefront of medical excellence.

More specifically, RHCI, which was set up in July 2013 with the objective of contributing to the training of local and overseas healthcare professionals, currently has partnerships with educational institutions within Singapore to provide and arrange for placements in Raffles Hospital and the Group's network of clinics, and has forged a Memorandum of Understanding with the HMI Group to provide clinical attachment placements for HMI Group trainees. RHCI has also been accredited (with distinction) by the ANCC as a provider of high-quality NCPD. The ANCC accreditation is an international recognition of excellence in NCPD. The high calibre programs developed under ANCC criteria prepare the Group's nurses for advanced nursing practice and improved clinical outcomes. Nurses trained under each of RHCI's NCPD courses will be awarded internationally recognised certificates that carry both the RHCI and the ANCC logos. Such NCPD courses help the Group to attract and retain nursing staff, and in particular, foreign nurses will especially benefit from such certification with improved career mobility when they return to work in their home countries.

Outside of Singapore, the Group has seconded certain experienced heads of division and surgery to China, with the mandate of overseeing its operations in China and inculcating in its China colleagues the Group's key operating model and principles. In order to enable its Chinese nursing staff to gain relevant experience, the Group has transferred such nursing staff to Singapore on various work or training programmes.

Through such initiatives, the Group is able to grow, attract and retain its medical practitioners, nurses and other healthcare professionals. The Group intends to build upon these efforts, which can be further optimised and leveraged to bolster the strength of its human capital.

Further, the Group believes that it offers a conducive working environment with quality brand names, ongoing training initiatives as well as personal career development opportunities and will continue to strengthen its reputation and brand names and to ensure that its working environment continues to be attractive and conducive to healthcare professionals.

Develop and invest in telemedicine capability

The Group believes that proliferation and the availability of technological changes will increase the ability of healthcare providers to improve the quality of healthcare delivery. In keeping with new and changing methods of care delivery, the Group will continue to expand its telemedicine solutions in an effort to meet the evolving needs of the healthcare industry.

In 2019, the Group launched Raffles Connect, its one-stop e-healthcare platform. Amongst others, this platform offers a round-the-clock telemedicine service that allows patients to see a medical practitioner through a video-consultation, and have their prescribed medication delivered to their doorstep. In response to the COVID-19 pandemic, the Group has also expanded its telemedicine capability to its international patients who may be unable or unwilling to seek medical treatment in Singapore as well as provide supervised self-administered Antigen Rapid Tests.

The Group fully intends to advance and enhance its Raffles Connect platform to deliver users with a seamless telemedicine experience, and this will also enable the Group to triage patients to assess the urgency of treatment and/or for repeat follow-on consultations, particularly during times when it is inconvenient for patients to see a medical practitioner in person. The Group believes that this will help spur the growth of its local and foreign patient count.

See "*– Competitive Strengths – Group Practice Model further enhances the Group's offering quality*" for further details.

COMPETITIVE STRENGTHS

Integrated healthcare services which is highly adaptable

The Group's hospitals and clinics in Singapore and China offer the full spectrum of services across the healthcare value chain from primary healthcare clinics to tertiary hospitals. They are positioned to complement each other and provide the most effective value propositions towards the Group's target patient segments. This comprehensive and integrated service offering provides a convenient one-stop continuum of care together with quality clinical outcomes, which attracts new patients, promotes long-term patient retention and also enables the Group to realise synergies through, amongst others, cross-referrals and leveraging best practices.

Despite the COVID-19 pandemic, the Group's integrated healthcare services enabled it to adapt to the new circumstances and create new revenue streams. As early as January 2020, the Group's healthcare teams were mobilised to help with Air Border Screenings. Air Border Screenings are a normal operating activity for the Group, providing the Group with annual recurring revenue as the Group has been under a contract to undertake Air Border Screenings since the Severe Acute Respiratory System ("**SARS**") pandemic in 2003. The revenue stream from these on-arrival Air Border Screenings has fluctuated in tandem with the level of screening operations required under prevailing government regulations or policies, which includes from time to time an expansion to cover all arrival and departing passengers at all the terminals in Singapore Changi Airport. As the situation with COVID-19 progressed, the Group also started administering pre-departure screenings for travellers.

The Group was also one of the first designated healthcare providers at the Community Care Facilities at Changi Exhibition Centre and Singapore EXPO. These venues were converted to help support and house COVID-positive patients who do not require acute hospital care. Over time, as the pandemic evolved and new and more infectious variants which caused wider community infections emerged, some of these facilities were converted into Community Treatment Facilities. Further, the Group has entered into the ECC scheme with the Ministry of Health, under which the Group takes in A&E type patients from the national ambulance service within a certain radius of Raffles Hospital. During peak periods of community COVID-19 cases in Singapore, certain public hospitals were closed to A&E patients and in order to support the public healthcare system, higher

numbers of A&E patients have been directed to Raffles Hospital instead. As a result, Raffles Hospital's ECC patient intake increased. More recently, as COVID-19 vaccines became available to the general public in Singapore, the Group also worked with the Ministry of Health to design, construct and operate more than 14 large vaccination centres. While the Group's activities associated with the vaccination centres began tapering off once a significant portion of Singapore's population had been fully vaccinated, with the emergence of new COVID-19 variants, the Group has now pivoted its focus to operating combined vaccination and testing centres, albeit on a smaller scale. In this regard, the Group was able to mitigate the impact of lower foreign patient counts and business interruptions during the "circuit breaker" period in Singapore as a result of the COVID-19 pandemic, to grow its revenue from approximately S$522.0 million in FY2019 to approximately S$568.2 million and approximately S$723.8 million in FY2020 and FY2021, respectively, and its net profits from approximately S$60.5 million in FY2019 to approximately S$64.7 million and approximately S$83.7 million in FY2020 and FY2021, respectively.

As the situation with the COVID-19 pandemic improves, the Group expects its COVID-19 support activities to taper off and the level of international travel to rise, along with the increase in the number of foreign patients seeking the Group's services at Raffles Hospital and its clinics in Singapore, as well as at its hospitals and medical centres in China and the rest of Asia. Please also refer to "*Risk Factors – Risks Relating to the Group's Business – The Group may be materially and adversely affected by spread of diseases or an outbreak of any contagious, infectious or virulent diseases and pandemics/epidemics.*"

Accordingly, the Group believes that its ability to offer a full spectrum of services across the healthcare value chain enables it to stay resilient in challenging market conditions by allowing it to adapt its operations and create new revenue streams.

Group Practice Model further enhances the Group's offering quality

Central to the Group's operating philosophy is its Group Practice Model where all of its medical practitioners, including specialists, are employees of the Group. The Group Practice Model harnesses the different strengths of the team caring for the patient. Specialists come together in multi-disciplinary teams to ensure that each patient receives co-ordinated, quality and affordable care. Further, the Group Practice Model allows the Group to have better control over the quality of care at every touch point, thus enabling a robust oversight system that is headed by a Medical Board which oversees various sub-committees including but not limited to Ethics; Quality; Medical Audit; and Surgical Audit. With this model, there is better deployment of individual talents and the team pools its expertise to diagnose and treat illnesses quickly, efficiently and accurately. Further, the Group Practice Model discourages unnecessary intervention or "overtreatment" of patients, allowing the Group to prioritise the best interests of the patient.

As the Group continues to develop and invest in its digital platform, Raffles Connect, and its telemedicine services, the Group has the potential to benefit from synergistic applications as it is able to extend the benefits of the Group Practice Model to a wider pool of patients, both from Singapore and overseas. The Group's medical practitioners in Singapore, functioning as multi-disciplinary teams, can continue to serve its patients through telemedicine applications and delivery of medications, where appropriate.

Ability to attract high quality medical practitioners and medical support staff

The reputation of a medical practice depends very much on the professional competence and perceived expertise of its medical practitioners and other healthcare professionals. The strong brand positioning and reputation of the Group for clinical excellence, premium healthcare facilities and advanced medical technology, together with its efficient management and information systems, enable the Group to attract highly skilled and experienced medical practitioners and medical support staff. The Group believes that its medical practitioners are highly experienced

and highly regarded within their respective specialties. In addition, the Group believes that the concentration of highly skilled professionals within its group creates a high-performance culture and environment which attracts and further encourages other quality personnel to join it. This is exemplified by the slew of awards and accreditations which the Group has garnered over the years, in particular, maintaining consistently stellar Customer Satisfaction Index of Singapore scores including ranking first place in the "Healthcare Sector" in 2013 and 2018, and being awarded second place in the "GP and Family Doctor" category of the Readers' Choice Awards 2019. See "– *Awards and Accreditations*" for further details.

In this respect, the Group has more than 250 medical practitioners and over 1000 medical support staff working in its hospitals and clinics in Singapore. In China and the rest of Asia, the Group has more than 500 medical practitioners and medical support staff working in its hospitals and medical centres. Working as an integrated team, the medical practitioners and medical support staff constitute a significant pool of expertise in the various medical disciplines of primary and specialist healthcare, diagnostic services and international medical assistance.

Extensive Corporate Clientele

As at the Latest Practicable Date, the Group caters to over 7,000 corporate clients. The Group believes that corporate clients have been attracted by the Group's comprehensive health screening, primary and specialist healthcare services, primary healthcare facilities, advanced medical technology and efficient management and information systems.

Experienced management team with proven track record

The Group believes the experience, depth and diversity of its management team to be a distinct competitive advantage in the complex and rapidly evolving healthcare industry in which it operates. The Group's management team includes experienced medical practitioners (with private and public practice backgrounds), giving the Group first-hand and in-depth knowledge of the intricacies of providing primary and tertiary healthcare services, as well as experience in working with other medical practitioners. Members of the Group's management team have extensive experience in the healthcare sector and have been instrumental to the growth of the Group's businesses in the Asia Pacific region.

The Executive Chairman, Dr. Loo Choon Yong, co-founded the Group in 1976 and has since then been instrumental in charting the development and growth of the Group. The Group's management team is committed to providing high quality care while growing the Group's business and creating long-term value for its shareholders and is empowered to drive the growth of the Group's businesses in the various geographical markets.

INTELLECTUAL PROPERTY

The business of the Group is reliant on its branding and intellectual property rights. As at the Latest Practicable Date, the Group has close to 20 registered trademarks, consisting of, among others, its "Raffles" brand, across the jurisdictions that it operates in. The Group is not engaged in any material litigation or legal proceedings in respect of its intellectual property.

Trademarks

Type of Filing	Jurisdiction	Trademark	Class(es)	Status
National	Singapore	Health@WORK	41, 44	Registered
National	Singapore	KIDDS	5	Registered
National	Singapore	RAFFLES	5, 35, 41, 42	Registered
National	Singapore	RAFFLES HEALTH INSURANCE	36	Registered
National	Singapore	RafflesHealthinsurance RafflesHealthinsurance	36	Registered
National	Singapore	RafflesOne	5, 36, 44	Registered
National	Singapore	萊佛士醫院 RafflesMedicalGroup	35, 42	Registered
National	Bangladesh	RAFFLES	5, 44	Registered
National	China	萊佛士醫院 RafflesMedicalGroup	35, 44	Registered
National	China	莱佛士医疗 RafflesMedical	44	Registered
National	China	Raffles	5, 9	Registered
National	Hong Kong	RAFFLES	35, 42, 44	Registered
National	Hong Kong	A Raffles B RAFFLES	3, 5	Registered
National	Indonesia	RAFFLES	3, 5, 35, 44	Registered
National	Indonesia	RAFFLES HOSPITAL	35, 44	Registered
National	Indonesia	RafflesGold	3, 5	Registered
National	Indonesia	RafflesMedical	3, 5, 35, 44	Registered
National	Indonesia	RafflesMedika	3, 5, 35, 44	Registered
National	Japan	RAFFLES	44	Registered
National	Japan	ラッフルズ	44	Registered

Type of Filing	Jurisdiction	Trademark	Class(es)	Status
National	Japan	ラッフルズメディカル	44	Registered
National	South Korea	RAFFLES	35, 44	Registered
National	Malaysia	RAFFLES	3, 5, 35, 44	Registered
National	Myanmar	RAFFLES	5, 44	Registered
National	Sri Lanka	RAFFLES	35, 42	Registered
International	WIPO Designating: 1. India; 2. Cambodia; 3. Mongolia; 4. Russia; and 5. Vietnam.	RAFFLES	5, 44	Registered
International	Mongolia	RAFFLES	5, 44	Registered
International	Russia	RAFFLES	5	Registered

AWARDS AND ACCREDITATIONS

The following table sets out the various awards and accreditations conferred on the Group:

Year	Award
2010	Singapore Health Award – Silver
2012	Singapore Health Award – Silver
2012	The Singapore HR Award – Preferred Employee Healthcare Consultant Award 2012 (1st)
2013	The Singapore HR Award – Preferred Employee Healthcare Provider Award (1st)
2013 – 2014	Securities Investors Association (Singapore) ("**SIAS**") Investors' Choice Awards – Most Transparent Company Award: Runner-up – Services Category
2014	Singapore Health Award – Gold
2014	The Singapore HR Award – Preferred Employee Healthcare Provider Award (3rd)
2014	HRM Asia "Readers Choice Award" – Inaugural Winner of Best Corporate Group
2015	Expat Life Awards (Beijing) – Best Dental Clinic, Best Physiotherapy Clinic and Best TCM Clinic
2015	The Singapore HR Award – Preferred Employee Healthcare Provider Award 2015 (2nd)
2016	The Singapore HR Award – Best Corporate Wellness Consultant Award 2016 (Silver)
2016	The Singapore HR Award – Best Corporate Healthcare Provider Award 2016 (Bronze)
2016	Healthcare & Pharmaceutical Awards by Global Health & Pharma – Best Private Healthcare Provider, Singapore
2016	SIAS Investors' Choice Awards – Most Transparent Company Award: Runner-up – Health care Category
2015 – 2017	HRM Asia "Readers Choice Award" – Winner of Best Corporate Healthcare Group
2016 – 2017	Global Health and Travel Awards – Best Integrated Healthcare Clinic of the Year and Paediatric Service Provider of the Year
2017	FinanceAsia Award – Best Managed Company in Singapore – Midcap Category
2017	Beijing Lifestyle Awards – Best Dental
2007 – 2019	Customer Satisfaction Index of Singapore ("**CSISG**") Award Ranked first for CSISG Healthcare Sector in 2013 and 2018
2019	Readers' Choice Awards 2019 – GP & Family Doctor (2nd Place)
2020	RafflesHealth.com won the silver award in the Marketing Interactive's Asia Ecommerce Awards 2020 under the category of "Best in Ecommerce (Brand) – Healthcare and Pharma"
2020	RHCI was awarded the Accreditation with Distinction by the ANCC
2011 – 2021	Ranked among the top 100 Singapore brands by Brand Finance Singapore

Environmental, Social and Governance

The Group considers sustainability issues as part of the development of the Group's overall strategy. The Sustainability Committee, comprising senior executives from key functions of the business and which is supported by a cross-functional team, is responsible for monitoring and overseeing the Group's sustainability efforts.

The Group is committed to ensuring that its medical facilities and network of healthcare workers across the globe adopt environmentally, economically and socially sustainable practices to deliver value to its stakeholders and safeguard their future. Underscoring the Group's commitment towards environmental sustainability, Raffles Specialist Centre was officially verified as a Platinum Green Mark building by the Building and Construction Authority in December 2020. In addition, in 2021, the Group's general waste consumption index has continued to drop to 0.005 ton/GFA and the amount of paper recycled has reached the Group's target of 50 tonnes a year.

Further, the Group has drawn up clear policies pertaining to the Personal Data Protection Act 2012 of Singapore ("**PDPA**") since 2014. In line with the PDPA, the Group has, among others, appointed data protection officers to ensure that adequate action is taken to protect customers' personal data. In 2021, the Group has received zero substantiated complaints. No complaints were raised to regulatory bodies and no incident of leak, theft or loss of customer data has been identified.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

The Board of Directors of the Group is entrusted with the responsibility for the overall management of the Group. The particulars of the Directors of the Group are listed below:

Name	Title
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

Dr. Loo Choon Yong

Executive Chairman and Non-Independent Director

Dr. Loo co-founded the Group in 1976. He was formally appointed to the Board as a director on 16 May 1989. He was appointed as the Chairman of the Board in 1997 when the Group was listed on the SGX-ST. He was last re-elected on 26 June 2020.

Dr. Loo has held directorships in various companies. He is also the Chairman of Asia Medical Foundation Ltd and RHI, and was the former Chairman of JTC Corporation. He also currently serves as Singapore's non-resident Ambassador to the Republic of Poland. Dr. Loo was also a Nominated Member of Parliament from 2005 to 2006, and from 2007 to 2009.

Dr. Loo has received multiple honours and awards, including the Public Service Medal in 2003, the Public Service Star in 2009 and most recently, the Public Service Star (Bar) in 2019. He was awarded the Best Chief Executive Officer Award at the Singapore Corporate Awards in 2010.

Dr. Loo holds a Bachelor of Medicine and Bachelor of Surgery from the University of Singapore. In addition to his medical education and postgraduate training in family medicine and cardiac medicine, Dr. Loo also read Law at the University of London and is a barrister at Middle Temple.

Mr. Eric Ang Teik Lim

Lead Independent Director

Mr. Ang was first elected to the Board on 24 April 2015 and last re-elected as director on 25 April 2022. He is the Lead Independent Director, and a member of the Audit and Risk Committee, and the Nomination and Compensation Committee.

Mr. Ang is currently a director of Surbana Jurong Private Limited, and NetLink NBN Management Pte. Ltd. (Trustee of NetLink NBN Trust).

Mr. Ang started his banking career in July 1978 and retired in January 2020 from DBS Bank Ltd. ("**DBS**"). He developed a wealth of experience in corporate and investment banking and pioneered many industry firsts in the Singapore capital markets during his career. Under his leadership as Head of Capital Markets, DBS consistently topped the Singapore capital market league tables. He stepped down in May 2014 to assume the role of Senior Executive Advisor with DBS until his retirement.

Mr. Ang has a Bachelor's degree in Business Administration from the University of Singapore.

Mr. Lew Yoong Keong Allen

Independent Director

Mr. Lew was first elected to the Board on 28 October 2020 and last re-elected as director on 26 April 2021. He became a member of the Audit and Risk Committee on 19 February 2021 and was appointed Chairman of the Audit and Risk Committee on 1 May 2021.

Mr. Lew is currently the Senior Advisor to Singapore Telecommunications Limited ("**Singtel**") and was Singtel's Chief Executive Officer, Group Strategy and Business Development and Country Chief Officer Thailand prior to 1 April 2021. He has a 40-year career in various senior management roles within Singtel. Most notably, while he was the Chief Executive Officer of Optus, he spearheaded key strategic initiatives to establish Optus as the strongest consumer brand in Australia in 2019 (Brand Finance) including the launch of Optus Sport which is now Australia's largest live sports streaming service with a customer base of one million.

Mr. Lew holds a Bachelor of Electrical Engineering from the University of Western Australia under a Colombo Plan Scholarship, and a Master of Science (Management) from the Massachusetts Institute of Technology.

Mr. Png Cheong Boon

Independent Director

Mr. Png was first elected to the Board on 15 October 2018 and last re-elected as director on 25 April 2022. He is the Chairman of the Nomination and Compensation Committee.

Mr. Png serves on the board of directors of the Economic Development Board, Singapore Cooperation Enterprise and National Research Foundation. He previously held directorships with Surbana Jurong Private Limited, Jurong Port Pte Ltd, Employment and Employability Institute Pte Ltd, Singapore Innovate Pte Ltd, and the China-Singapore Suzhou Industrial Park Development Group Co. Ltd.

Mr. Png is currently the Chief Executive Officer of Enterprise Singapore Holdings Pte Ltd. Prior to that, Mr. Png was the Second Permanent Secretary at the Ministry of Trade and Industry from June 2017 to May 2018. He also served as the Chief Executive Officer of JTC Corporation from 2013 to 2017 and Chief Executive of SPRING Singapore from 2008 to 2013. He began his career with the Economic Development Board in 1993 and held various portfolios in Singapore and the US. He was conferred the Public Administration Medal (Silver) in 2008.

Mr. Png was a recipient of the EDB-GlaxoSmithKline scholarship and holds a Bachelor of Science degree in Electrical Engineering from Cornell University and a Master of Science in Management under the Sloan Fellows Program at Stanford University.

Mr. Tan Wern Yuen

Independent Director

Mr. Tan was appointed to the Board on 1 July 2021 and last re-elected as director on 25 April 2022. He is a member of the Audit and Risk Committee.

Mr. Tan is currently the Chief Executive Officer (APAC) of PepsiCo Inc. Prior to joining PepsiCo Inc. in June 2020, he was first the Managing Director of McDonald's Taiwan before taking on the position of President and Chief Executive Officer (China) with Walmart Inc. Preceding his appointment as Managing Director of McDonald's Taiwan, he led the strategy, consumer insights and business performance management functions for 38 markets, drove enterprise innovation and business development, and spearheaded McDonald's market entry into Vietnam.

Mr. Tan began his career with the Singapore Government in July 2001 and took on leadership roles in the Singapore Police Force and the Ministry of Trade and Industry before spending time as a strategy consultant at the Boston Consulting Group, advising retail and consumer clients on growth strategy, innovation and turnarounds. Mr. Tan currently serves as a Board Member of the Economic Development Board, and as Vice-Chairman of the China Chain Store and Franchise Association (CCFA).

Mr. Tan holds a Bachelor of Arts degree (First Class Honours) in Economics and Management from the University of Oxford and a Masters in Finance from the University of Cambridge.

Ms. Chong Chuan Neo

Independent Director

Ms. Chong was appointed to the Board on 15 October 2021 and last re-elected as director on 25 April 2022. She is a member of the Nomination and Compensation Committee.

Ms. Chong held several global roles with Accenture Pte Ltd, where she had spent close to 30 years before leaving in 2018, and is currently an Operating Director with Partners Group. She was the first woman to helm Accenture Greater China (Mainland, Hong Kong, Taiwan) as Chairman and Managing Director and directed the provision of end-to-end services in strategy, management, consulting, digital, technology and operations to state owned and privately owned enterprises and multinational corporations in that role. Her diverse experience also includes

managing the business of Accenture Pte Ltd in the Asia Pacific region covering consumer goods and services, life sciences, travel, transport, hospitality, infrastructure and real estate industries.

Ms. Chong is a board member of Graduate Investment Private Limited and an executive council (EXCO) member of National University of Singapore Innovation and Enterprise. She also sits on a number of non-profit and commercial boards in the region, including being a non-executive director of Oversea-Chinese Banking Corporation Limited and Lion Global Investors Limited.

Ms. Chong holds a Bachelor of Science degree in Computer Science and Mathematics from the National University of Singapore. She has also completed management and executive programmes in business and leadership at IMD Lausanne, Switzerland.

Professor Sung Jao Yiu

Independent Director

Professor Sung was appointed to the Board on 1 December 2021 and last re-elected as director on 25 April 2022. He is a member of the Nomination and Compensation Committee.

Professor Sung is Distinguished University Professor, Senior Vice-President (Health & Life Sciences) and Dean (Lee Kong Chian School of Medicine) of Nanyang Technological University, Singapore (NTU). He holds directorships with National Healthcare Group Pte Ltd and Singapore Eye Research Institute.

Professor Sung is a renowned researcher in gastroenterology and hepatology and his contributions in the advancement of medical sciences and academic development have been recognised locally and regionally, including in the United States, Hong Kong and China. Notably, he was named “Asian Hero” by Time Magazine, amongst other accolades, in recognition of his outstanding contributions in the fight against SARS in 2003 and received the World Outstanding Chinese Award from the World Chinese Business Investment Foundation and the United World Chinese Association in 2013.

Professor Sung was conferred a medical degree (MBBS) by the University of Hong Kong, a PhD (Doctor of Philosophy) in biomedical sciences by the University of Calgary and an MD (Doctor of Medicine) by the Chinese University of Hong Kong. He holds fellowships from the Royal Colleges of Physicians of Edinburgh, Glasgow, London and Australia, the American College of Gastroenterology, the American Gastroenterological Association, the Hong Kong College of Physicians and the Hong Kong Academy of Medicine.

Mr. Tan Soo Nan

Executive and Non-Independent Director

Mr. Tan was first elected to the Board on 28 July 2000 and last re-elected as director on 26 April 2021.

Mr. Tan is currently a director of RHI (a subsidiary of Raffles Medical Group Ltd), SATS Ltd, Engro Corporation Limited, Temasek Foundation Limited, Woh Hup Trust and TF IPC Ltd. Mr. Tan is also Chairman of the Board of The Photographic Society of Singapore.

Mr. Tan has held the position of Chairman of Asia Pacific Lottery Association, Chief Executive of Singapore Totalisator Board, Chief Executive Officer and Director of Singapore Pools Pte Ltd. (a subsidiary of Singapore Totalisator Board), Vice President, Member-Income & Services Tax Board at Football Association of Singapore, Trustee-Fund at Singapore Sports Council, Chief

Executive Officer at Temasek Capital Pte Ltd., Senior Managing Director at DBS Bank Ltd. and Chairman at Raffles Country Club.

Mr. Tan holds a Bachelor of Business Administration from the University of Singapore.

Mr. Olivier Lim Tse Ghow

Non-Executive and Non-Independent Director

Mr. Lim was first elected to the Board on 1 October 2009 where he served until 28 June 2013. He rejoined the Board on 1 October 2014 and was last re-elected as director on 26 April 2021.

Currently, Mr. Lim is non-executive Chairman of Certis CISCO Security Pte. Ltd. and PropertyGuru Pte Ltd. He is a director of DBS Group Holdings Ltd and Starhub Ltd.

Mr. Lim was previously with CapitaLand Limited from 2003 to 2014 and served as Group Deputy Chief Executive Officer, Group Chief Investment Officer and Group Chief Financial Officer during his career with CapitaLand Limited. He was named "CFO of the Year" in the Business Times Singapore Corporate Awards 2007. Between 1989 and 2003, he worked at Citibank Singapore in various roles in the corporate and investment banking units and was Head of the Real Estate Unit in his ultimate role.

Mr. Lim is a civil engineer by training, and holds a First Class Honours degree in Civil Engineering from Imperial College, London.

Dr. Sarah Lu Qinghui

Executive and Non-Independent Director

Dr. Lu was first elected to the Board on 20 February 2018 and last re-elected as director on 26 April 2021.

Dr. Lu has over 16 years of experience as a registered medical practitioner and more than 8 years of experience as a Specialist General Surgeon and Breast Surgeon. Prior to joining Raffles Hospital, on 1 June 2020, she served as Consultant, General Surgery and Breast Surgery at Tan Tock Seng Hospital, one of the busiest hospitals in Singapore.

Dr. Lu is a specialist in general surgery for breast cancer care. She completed her fellowship training in National Cancer Centre (Seoul) and L'Institut du Sein (Paris) in the areas of breast conservation and oncoplastic surgery to complement her clinical interest in breast cancer care and surgery. While practising as Consultant at Tan Tock Seng Hospital, Dr. Lu concurrently participated in the training and education of surgical residents and medical students as the Programme Director of the National Healthcare Group's General Surgery Residency Programme and also served as Associate Designated Institution Officer of the National Healthcare Group. In addition, she was an Adjunct Assistant Professor with Lee Kong Chian School of Medicine and a Clinical Lecturer at the Yong Loo Lin National University of Singapore School of Medicine.

Dr. Lu holds a Masters in Medicine (Surgery) from the National University of Singapore and Masters in Health Professions' Education from Massachusetts General Hospital Institute of Health Professions.

EXECUTIVE OFFICERS

The day-to-day operations of the Group are entrusted to an experienced and qualified team of Executive Officers. The particulars of the Executive Officers are set out below:

Name	Title
Dr. Loo Choon Yong	Executive Chairman
Ms. Sheila Ng	Chief Financial Officer
Dr. Kenneth Wu	Deputy Managing Director, Singapore Healthcare
Dr. Vincent Chia	Managing Director, Raffles China Healthcare
Mrs. Kimmy Goh	Group Financial Controller and Company Secretary
Ms. Juliet Khew	Deputy Managing Director, Raffles Health Insurance
Mr. Teo Kah Ling	Chief Information Officer
Ms. Pauline Chua	Director, Group Human Capital
Dr. Tan Hsiang Lung	General Manager, Raffles Hospital
Dr. Morrison Loh	Director, Commercial and Head, Medical Directorate, Raffles Health Insurance

Dr. Loo Choon Yong

Executive Chairman

Please refer to page 95 for information on Dr. Loo Choon Yong.

Ms. Sheila Ng

Chief Financial Officer

Ms. Ng was appointed as Chief Financial Officer on 2 March 2020.

Ms. Ng was the Deputy Chief Executive Officer and Group Chief Financial Officer of Interplex Holdings Ltd from 2007 to 2017. As Group Chief Financial Officer 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.

As the Deputy Chief Executive Officer of Interplex, she had oversight of the Interplex Group's operations, and supported the Group Chief Executive Officer in executing Interplex's strategies. Prior to this, Ms. Ng, who started her career as an auditor with KPMG, served as the Chief Financial Officer of GES International Ltd, the Financial Controller of RSP Architects & Planners and SMP Investment Pte Ltd, and the Vice President, Finance, of Superior Metal Printing Limited.

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

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

Dr. Kenneth Wu

Deputy Managing Director, Singapore Healthcare

Dr. Wu was appointed the Deputy Managing Director of Singapore Healthcare on October 2020.

Dr. Wu joined the Group in 1997 as a family physician, and has subsequently progressed through both clinical and operational management roles across the Group garnering experience and expertise for his current portfolio. He has extensive experience covering the spectrum of the Raffles Medical primary care services across the island. This includes driving the growth and expansion of their General Physician network and capabilities. Most recently, he was General Manager of Raffles Hospital, where he oversaw the operational management of the hospital.

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.

Dr. Vincent Chia

Managing Director, Raffles China Healthcare

Dr. Chia was appointed the Deputy Managing Director of Raffles China Healthcare in February 2020 and was subsequently appointed the Managing Director in 2022.

Prior to joining the Group, Dr. Chia was the founder and Managing Director of Asian Healthcare Solutions. He worked as an independent healthcare consultant from 2017 to end 2019, and covered strategy, quality and operational projects in China and South East Asia. Before 2016, Dr. Chia held various senior management positions in the healthcare sector, including Chief Executive Officer of Gleneagles Hospital Singapore, Chief Executive Officer of Parkway East Hospital, Vice President Business Development for Parkway Shenton, and General Manager, Primary Care for Healthway Medical Group.

Dr. Chia graduated with a Bachelor of Medicine and Bachelor of Surgery from the University of Newcastle upon Tyne in the United Kingdom in 1995.

Mrs. Kimmy Goh

Group Financial Controller and Company Secretary

Mrs. Goh joined the Group in 1992, and was appointed the Group Financial Controller in 2005 and the Company Secretary in 2007. Mrs. Goh is responsible for the Group's financial strategy and 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 (ISCA), and is a Fellow of the Association of Chartered Certified Accountants (ACCA).

Ms. Juliet Khew

Deputy Managing Director, RHI

Ms. Khew is the Deputy Managing Director of RHI, the synergistic insurance arm and a wholly owned subsidiary of the Group, covering managed care through its network of family clinics and tertiary care hospital.

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

Ms. Khew has over 20 years of experience in the insurance industry. Prior to joining RHI, she was the Managing Director of Health at AXA Insurance. During her time at AXA Insurance, she led the HSBC-AXA General Insurance integration, and Underwriting and Health Strategic business units.

Mr. Teo Kah Ling

Chief Information Officer

Mr. Teo joined the Group in 2009, previously holding the position of Director of Information Technology ("**IT**") of the Group. He has 19 years of experience in the healthcare industry.

Prior to joining the Group, he held the position of Head Systems Services and Principal Enterprise Architect of Integrated Health Information Systems ("**IHIS**"). During his time with IHIS, he was responsible for all IT infrastructure related projects for the National Healthcare Group of Hospitals.

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

Ms. Pauline Chua

Director, Group Human Capital

Ms. Chua was appointed the Director of Group Human Capital in March 2019. She is responsible for the Group's human resource and talent management function in Singapore and the region.

Prior to joining the Group, Ms. Chua was the General Manager of Human Capital and Corporate Social Responsibility at Fuji Xerox Singapore; and served as the Director of Human Resource at Wildlife Reserves Singapore and as the Senior Manager of Recruitment and Organisation Development at Sentosa Leisure Group.

Ms. Chua graduated from Victoria University of Wellington, New Zealand with a Bachelor of Arts in Education and Psychology.

Dr. Tan Hsiang Lung

General Manager, Raffles Hospital

Dr. Tan 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 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.

Dr. Morrison Loh

Director, Commercial and Head, Medical Directorate, Raffles Health Insurance

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

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

Dr. Loh graduated from University College London in 2006 with a Bachelor of Science in Physiology and 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).

SELECTED FINANCIAL INFORMATION

The following tables present summary consolidated financial information of the Group as at and for the periods indicated.

The summary consolidated financial information as at 31 December 2021, 2020 and 2019 and for the years then ended has been derived from the Group's consolidated financial statements for the year ended 31 December 2021 and 2020 that have been audited by KPMG LLP, and should be read in conjunction with such published audited consolidated financial statements and the notes thereto. The summary consolidated financial information as at 31 December 2019 and for the year then ended has been derived from the Group's consolidated financial statements for the year ended 31 December 2020 (presented as comparative numbers) that have been audited by KPMG LLP, and should be read in conjunction with such published audited consolidated financial statements and the notes thereto.

SUMMARY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Audited As at 31 December		
	2019	2020	2021
	S$ '000	S$ '000	S$ '000
Non-current assets			
Property, plant and equipment	685,585	739,905	797,362
Intangible assets and goodwill	37,454	34,144	31,830
Investment properties	311,160	294,600	274,000
Deferred tax assets	1,165	1,070	1,138
Trade and other receivables	3,452	3,285	1,857
	1,038,816	1,073,004	1,106,187
Current assets			
Inventories	10,245	14,587	13,374
Trade and other receivables	83,935	113,429	160,737
Cash and cash equivalents	151,826	203,114	264,988
	246,006	331,130	439,099
Total assets	1,284,822	1,404,134	1,545,286
Equity attributable to owners of the Company			
Share capital	393,470	420,966	426,346
Reserves	447,423	478,030	534,448
	840,893	898,996	960,794
Non-controlling interests	15,961	15,401	15,826
Total equity	856,854	914,397	976,620

	Audited As at 31 December		
	2019	2020	2021
Non-current liabilities			
Loans and borrowings	156,559	143,859	77,914
Trade and other payables	20,926	35,910	50,316
Lease liabilities	24,516	22,298	13,678
Deferred tax liabilities	7,014	7,746	10,147
	209,015	209,813	152,055
Current liabilities			
Loans and borrowings	8,542	27,201	96,297
Current tax liabilities	14,395	22,623	29,095
Trade and other payables	162,530	191,382	253,568
Lease liabilities	10,759	11,535	10,243
Other financial liabilities	2,754	2,705	2,761
Insurance contract provisions	19,973	24,478	24,647
	218,953	279,924	416,611
Total liabilities	427,968	489,737	568,666
Total equity and liabilities	1,284,822	1,404,134	1,545,286

SUMMARY CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Audited For the Financial Years ended 31 December		
	2019	2020	2021
	S$'000	S$'000	S$'000
Revenue	522,038	568,203	723,791
Other operating income	3,086	31,585	13,849
Inventories and consumables used	(57,603)	(72,289)	(82,013)
Purchased and contracted services	(53,366)	(63,486)	(61,257)
Staff costs	(266,883)	(291,698)	(386,973)
Depreciation of property, plant and equipment	(27,650)	(33,487)	(36,725)
Amortisation of intangible assets	(1,610)	(2,008)	(2,601)
Operating lease expenses	(5,091)	(2,023)	(1,744)
Impairment loss on trade receivables	(2,085)	(1,916)	(1,495)
Other operating expenses	(34,668)	(44,439)	(43,526)
Profit from operating activities	76,168	88,442	121,306
Finance income	1,697	1,150	634
Finance costs/expenses	(1,941)	(5,153)	(6,356)
Profit before tax	75,924	84,439	115,584
Tax expense	(15,402)	(19,769)	(31,868)
Profit for the year	60,522	64,670	83,716
Profit attributable to:			
Owners of the Company	60,273	65,891	84,171
Non-controlling interests	249	(1,221)	(455)
Profit for the year	60,522	64,670	83,716

FY2021 vs FY2020

While the year started on a cautiously optimistic note despite an evolving global pandemic situation, the COVID-19 pandemic continued to evolve during the year and, as new variants emerged, governments had to adapt their actions to deal with each new threat and the changing needs of the healthcare landscape. To support the government's COVID-19 initiatives, the Group had to remain flexible, adaptable and responsive. At the beginning of FY2021, a large part of the Group's resources were deployed to running vaccination centres to support the Singapore Government's drive to expeditiously achieve a high rate of vaccination of its population. During the height of the Delta-variant wave, the Group participated in extensive community testing by conducting PCR swabs tests at its PCR test centres. The Group also continued looking after COVID-19 patients at the community treatment facilities operated by it. On the vaccination front, the focus has pivoted towards booster shots and paediatric vaccinations while Singapore grapples with the new and highly infectious Omicron-variant.

Due to travel restrictions, foreign patients have generally not resumed seeking treatment in Singapore. Outside of Singapore, China continues to experience sporadic COVID-19 clusters which were controlled through lock-downs and extensive community testing.

The Group's hospitals and clinics in China continued to participate in the government's COVID-19 vaccination and community testing efforts. In addition, Raffles Hospital Shanghai received its licence to operate in July 2021.

The above activities helped the Group generate revenue growth of 27.4% to approximately S$723.8 million in FY2021 from approximately S$568.2 million in FY2020. Revenue from the Healthcare and Hospital Services divisions grew by 63.1% and 10.6%, respectively.

Other operating income decreased by 56.2% year-on-year due to lower government grants received in FY2021 as compared to FY2020, which included grants pursuant to the Jobs Support Scheme ("**JSS**") and property tax rebates, among others.

To support the various COVID-19 activities, the Group incurred higher costs relating to staff, inventories and consumables as well as contracted services.

The opening of Raffles Hospital Shanghai in the second half of FY2021 resulted in an increase in depreciation expense in FY2021 as compared to FY2020.

Included in other operating expenses in FY2021 was a fair value gain of S$0.4 million being recognised for investment properties under other operating income as compared to a fair value loss of S$4.5 million recognised in other operating expenses in FY2020, which contributed to other operating expenses registering a 2.1% year-on-year decrease in FY2021 as compared to FY2020.

Profit before tax, as a result, grew by 36.9% to approximately S$115.6 million in FY2021 from approximately S$84.4 million in FY2020.

As certain government grants, such as the JSS, are not subject to tax, the Group's tax expense registered an increase of 61.2% to approximately S$31.9 million in FY2021 from approximately S$19.8 million in FY2020.

As a result, Profit after tax and minority interests ("**PATMI**") grew by 27.7% to approximately S$84.2 million in FY2021 from approximately S$65.9 million in FY2020.

The Group generated approximately S$160.1 million cash from its operating activities in FY2021. This enabled the Group to continue funding its expansion through a combination of internally generated cash and some borrowings. As at 31 December 2021, after paying dividends of approximately S$37.3 million, executing share buy backs of approximately S$3.2 million and funding investments in fixed assets, the Group remained in a net cash position with approximately S$265.0 million in cash.

FY2020 vs FY2019

During the first half of FY2020, the Group experienced the full impact of the COVID-19 pandemic and the "circuit breaker" measure imposed by the Singapore Government to curb the spread of COVID-19. Some clinics had to close during this period. Non-essential services such as health screening and dental services were suspended. Elective surgeries were deferred and foreign patients were permitted to seek treatment in Singapore only on a very selective basis.

Timely governmental support in the form of the JSS and wage credits enabled the Group to retain all of its staff and avoid any retrenchment. Amidst the challenging circumstances, staff members were quickly redeployed with agility and responsiveness to adapt to the evolving healthcare environment. The Group's physicians, nurses and supporting staff undertook air border screening, swabbing of foreign workers and arriving air travellers as well as caring for thousands of COVID-19 positive foreign workers at community isolation facilities. The Group offered new services such as COVID-19 PCR and serology testing. In FY2020, the Group also saw more acute patients under the ECC scheme with the Ministry of Health, a joint initiative to manage emergency patients in Singapore, as the government hospitals focused on their battles against the COVID-19 outbreak. For these additional activities, the Group hired more than 1,300 part-time staff during the year.

With the above efforts, the Group was able to post a revenue growth of 8.8% year-on-year from approximately S$522.0 million in FY2019 to approximately S$568.2 million in FY2020 and revenues from the Healthcare Services and Hospital Services divisions grew by 17.8% and 2.1% respectively. In FY2020, revenue from the Group's Singapore operations registered a 12.1% growth while China and the rest of Asia posted a decrease of 16.1% year-on-year.

Other operating income was higher in FY2020 due to amounts received in government grants pursuant to the JSS, higher wage credit and property tax rebates, among others, during the financial year to alleviate the financial impact of the "circuit breaker" measure. The government's support bought the Group time to pivot its resources towards supporting the government in its fight against COVID-19.

As the Group diversified its operations towards supporting COVID-19 activities, higher costs relating to staff, inventories and consumables used as well as purchased and contracted services were incurred.

The Group also incurred higher depreciation expense on plant, property and equipment in FY2020, attributable to a full year's depreciation expense being recognised for Raffles Hospital Chongqing (as compared to a partial year in FY2019), due to the progressive opening of Raffles Hospital Chongqing as well as additional right-of-use assets being recognised for new leases.

Operating lease expense decreased year-on-year due to the expiry of short-term leases of less than one year duration, as these were not capitalised during the transition to adopt the Singapore Financial Reporting Standards (International) (SFRS(I)) 16 *Leases* reporting format in FY2019.

Impairment charges on goodwill for the Group's China clinics and fair value losses on investment properties were included under other operating expenses in FY2020.

Financial costs/expenses were higher in FY2020 due to the inclusion of Raffles Hospital Chongqing's interest on loans for a full year instead of the prorated basis that was adopted in FY2019.

As a result, the Group's profit before tax grew by 11.2% from approximately S$75.9 million in FY2019 to approximately S$84.4 million in FY2020. PATMI grew by 9.3% from approximately S$60.3 million in FY2019 to approximately S$65.9 million in FY2020.

Cash generated from operations increased by approximately S$22.0 million in FY2019 to approximately S$133.1 million in FY2020. After funding its China expansion through a combination of internally generated cash and borrowings, and the distribution of dividends of approximately S$19.2 million, the Group's cash and cash equivalent increased by 34.0% or approximately S$51.4 million to approximately S$202.1 million as at 31 December 2020 from approximately S$150.7 million in the previous year.

RISK FACTORS

Prior to making an investment decision with respect to the Notes, all prospective investors and purchasers should carefully consider all of the information contained in this Information Memorandum, including any documents incorporated by reference herein and the risk factors set out below and the financial statements and related notes. The risk factors set out below do not purport to be complete or comprehensive of all the risk factors that may be involved in the business, assets, financial condition, performance or prospects of the Issuer or the Group or any of their respective properties or any decision to purchase, own or dispose of the Notes. Additional risks which the Issuer is currently unaware of may also impair the business, assets, financial condition, performance or prospects of the Issuer and/or the Group. If any of the following risk factors develops into actual events, the business, assets, financial condition, performance or prospects of the Issuer or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Notes may be adversely affected.

Prospective investors should not rely on the information set out herein as the sole basis for any investment decision in relation to the Notes but should seek appropriate and relevant advice concerning the appropriateness of an investment in the Notes for their particular circumstances.

Headings and sub-headings are for convenience only and investment considerations and risk factors that appear under a particular heading or sub-heading may also apply to one or more other headings or sub-headings.

Limitations of this Information Memorandum

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility, even if it has received information to assist it in making such a determination. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Notes (nor any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, any of the Dealer(s) or the Arranger that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Notes.

Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer's subsidiaries and associated companies (if any), any of the Dealer(s) or the Arranger or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Notes should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely upon its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer and the Group, the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Notes.

This Information Memorandum does not purport to contain all information that a prospective investor of the Notes may require in investigating the matters or the parties referred to above, prior to making an investment in the Notes.

RISKS RELATING TO THE GROUP'S BUSINESS

The Group may be materially and adversely affected by the spread of diseases or an outbreak of any contagious, infectious or virulent diseases and pandemics/epidemics.

The outbreak of communicable or virulent diseases and pandemics/epidemics such as SARS, H5N1 avian flu, Middle East Respiratory Syndrome, Ebola and most recently, the outbreak in late 2019 of a novel strain of coronavirus being COVID-19, in countries which the Group operates may materially and adversely affect its operations. In the event such outbreaks occur at any of the Group's hospitals and/or clinics, greater infection control measures will have to be implemented with the possibility of temporary closure of the affected facility and quarantine of all affected healthcare professionals. In addition, occurrences of epidemics and pandemics could also result in negative public opinion on medical institutions, which may materially and adversely affect the Group's business, financial condition, results of operations and prospects. Any such occurrence could also result in sporadic or prolonged market and/or supply disruptions, an economic downturn or recession, volatilities in domestic and/or international financial markets and may materially and adversely affect Singapore and other economies. The occurrence or developments of any of these events or developments may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

In particular, the global outbreak of COVID-19 triggered a global downturn and economic contraction and also resulted in disruption of global supply chains of medical supplies, personal protective equipment and medical equipment, resulting in a global shortage of, and delay in obtaining, such medical supplies and equipment. There can be no assurance that the Group will not be materially and adversely affected by such disruption, shortage and delay, in particular if there is a further worsening of the COVID-19 pandemic or resurgence in cases of COVID-19 in the countries in which the Group operates.

In response to the COVID-19 pandemic, the governments of many countries, states, cities and other geographical regions have implemented containment measures, such as imposing restrictions on travel, and may continue implementing containment measures in response to new variants of the virus. Border control and movement restrictions imposed by governments have affected the ability of the Group's foreign doctors and nursing staff to return to work and the Group's ability to hire foreign staff, leading to workforce constraints. As a result, the Group has sought alternative solutions in response to the workforce constraints, such as the hiring of temporary or contract employees or arranging for its employees to work overtime. However, there is no assurance that the Group will be able to continue to operate and serve its customers at the current levels or that there will not be any deterioration in service levels and/or quality.

Due to the travel restrictions, the Group had experienced and may continue to experience a decrease in the number of foreign patients seeking its services at Raffles Hospital and its clinics in Singapore, as well as at its hospitals and medical centres in China and the rest of Asia. For comparative purposes, the number of foreign patients seeking the Group's services at Raffles Hospital and its clinics in Singapore has decreased by more than 25% from the financial year ended 31 December 2021 to the financial year ended 31 December 2019. In addition, international patients seeking medical treatment in Singapore had been and may continue to be subject to border and travel restrictions and/or requirements that may change from time to time. Even if the situation with the COVID-19 pandemic improves, there is no assurance that the number of foreign patients seeking the Group's services will increase to pre-pandemic levels or at all.

The COVID-19 pandemic is evolving with the emergence of new variants each carrying varying risks of severe complications from infections, and the actual extent of the pandemic and its impact on the domestic, regional and global economy remains uncertain. Accordingly, the actual extent of the impact on the Group's business, financial condition, results of operations and prospects will depend on, among other things, the duration of the COVID-19 pandemic, the severity of new variants, the vaccination rates of the jurisdictions in which the Group operates, the effectiveness of vaccinations to prevent severe illnesses, the severity and length of any economic downturn and the speed and strength of the subsequent recovery of the economies affected by the pandemic. The COVID-19 pandemic could result in protracted volatility in international markets and/or result in a global recession. The foregoing may result in reduced investment and spending and severe unemployment, and an economic downturn of this scale may pose significant challenges to the Group's business, and may also affect the ability of customers to afford the Group's services and/or result in delays in the payment for the Group's services. In addition, due to directions from relevant authorities as a result of rising incidences of COVID-19 in the community, the Group from time to time has had to, among other things, temporarily close some of its medical centres and defer most of its elective surgeries in some of the jurisdictions in which it operates. While the Group has resumed the operations of all key services as at the Latest Practicable Date, the continuation of such operations remains subject to the prevailing government regulations or policies and there can be no certainty of the extent to which the COVID-19 pandemic may further impact the Group's business, financial condition, results of operations and prospects.

The Group has taken precautionary measures against the spread of COVID-19 in its hospitals and clinics in line with stringent regulatory requirements, such as frequent cleaning and disinfection of common areas, restricting the number of visitors per day and the duration of visits, ensuring that visitors comply with safe distancing and other guidelines imposed by the relevant authorities, restricting visitors' access only to designated visitation areas, testing and isolation of new patients in special isolation wards when necessary, ensuring separate zones and split teams for staff, strict movement control of patients and staff, arranging for staff to be vaccinated against COVID-19 and requiring staff to undergo Antigen Rapid Tests at regular intervals. The foregoing precautionary measures do not purport to be an exhaustive list and may be subject to change to comply with government regulations or policies as may be issued, amended or supplemented from time to time. While the Group believes that it has reacted swiftly to the COVID-19 pandemic and implemented precautionary measures to ensure the safety and well-being of its staff and patients, there can be no assurance that the precautionary measures taken will always be effective in preventing the spread of COVID-19. Although the Group has implemented a vaccination programme and Singapore has begun its transition to becoming a COVID-19 resilient nation from the third quarter of 2021 with the rolling-out of its vaccination programme, not all of the Group's staff, particularly those in jurisdictions other than Singapore, may be vaccinated against COVID-19 whether due to ineligibility or by choice and further, there can be no assurance that the vaccine will prevent break-through infections without side effects. Accordingly, it is not possible to completely eradicate the risk of transmission of COVID-19 in the Group's hospitals and clinics. Further, any failure by the Group to comply with the stringent regulatory requirements may also result in penalties being imposed on it including, in the worst case that the hospitals and clinics at which any material non-compliance occurred may have to temporarily cease operations.

Furthermore, the Group's doctors, nurses and other healthcare professionals, as frontline workers to any such outbreak, will be particularly susceptible to any epidemic or pandemic, given their close contact with patients. The Group has certain measures, procedures and protocols in place to mitigate the effects of such outbreaks. These include, among others, ensuring a sufficient supply of effective personal protection equipment for all staff (for example, surgical gloves, face shields, gowns and caps, and N95 respirator masks), having stringent infection control protocols in place to prevent person-to-person contamination and keeping full records of the contact details of patients to facilitate contact tracing if necessary. However, there is no assurance that the Group's patients, doctors, nurses and other healthcare professionals will not be infected with communicable diseases, which may disrupt its business or require the affected hospitals and/or

clinics to be temporarily shut down for quarantine purposes. Such disruptions to the Group's business and operations may have a negative impact on its business, financial condition, results of operations and prospects.

Further, the precautionary measures taken by the Group against the spread of COVID-19 in its hospitals, clinics or other facilities as well as workforce constraints due to the imposition of movement restriction measures had resulted in and may continue to result in higher operating expenses for the Group. While the Singapore Government had in the past introduced support and relief measures to businesses in Singapore in response to the COVID-19 pandemic pursuant to which the Group had received the relevant grants, such as grants pursuant to the JSS, foreign worker levy rebates, rent concessions and property tax rebates, such measures are only for a finite duration and most of these measures have ended. There is no assurance that the Singapore Government will introduce new support and relief measures that the Group will be entitled to or that such measures will be sufficient to cover all additional costs, even if the pandemic continues to persist. In addition, the Group, as landlord in respect of certain commercial properties, was obliged under the COVID-19 (Temporary Measures) Act 2020 to, among others, grant rental concessions to qualifying tenant-occupiers.

The Issuer derives a significant portion of its investments and profits from its subsidiaries and associated companies.

The Issuer derives a significant portion of its investments and profits from its subsidiaries and associated companies. As a result, the Issuer's cash flows and ability to make payments may depend on the results of operations of its subsidiaries and associated companies and upon the receipt of dividends, distributions or advances from its subsidiaries and associated companies. The ability of its subsidiaries and associated companies to pay dividends or such other amounts to the Issuer may be subject to their profitability, to applicable laws and regulations and to restrictions contained in financing or other agreements. If the results of the Issuer's key subsidiaries were to decline, it may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. There can be no assurance that the Issuer's key subsidiaries will generate sufficient earnings and cash flows to meet the Group's obligations.

The Group's operations are concentrated in Singapore and China, which makes it sensitive to regulatory, economic, environmental and competitive conditions and changes in these countries.

The Group's operations are primarily concentrated in Singapore. Outside of Singapore, the Group's largest operations are concentrated in China as at the Latest Practicable Date. For the financial year ended 31 December 2021, the Group's operations in Singapore and China accounted for approximately 91% and 7% of its revenue, respectively, and approximately 62% and 37% of its non-current assets, respectively. Such concentration in operations makes the Group particularly sensitive to regulatory, social, political, economic, environmental and competitive conditions and changes in these countries.

Healthcare policy and the role of the private sector in the Group's key markets are subject to regular review by governmental authorities and to changes as a result of political decisions. Any material change in the current government insurance payment systems or policies, regulatory, economic, environmental or competitive conditions in these countries may have a disproportionate and material adverse effect on the Group's business, financial condition, results of operations and prospects.

Challenges that affect the healthcare industry may also have an effect on the Group's operations.

The Group is impacted by the challenges currently facing the healthcare industry. The Group believes that the key ongoing industry-wide challenges are providing high quality patient care in a competitive environment and managing costs.

In addition, the Group's business, financial condition, results of operations and prospects may be affected by other factors that affect the entire industry, including the Group, such as:

(a) technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for healthcare;

(b) general economic and business conditions at local, regional, national and international levels;

(c) demographic changes;

(d) an increase in the threat of terrorism or armed conflicts and the occurrence of natural and man-made disasters that affect travel security or the global economy could reduce the volume of medical travellers;

(e) improvements in the level of quality of healthcare services in neighbouring countries that may affect the stream of medical travellers coming to the Group's hospitals and clinics;

(f) changes in the supply distribution chain or other factors that increase the cost of supplies;

(g) stricter regulations governing protection of sensitive or confidential patient information from unauthorised disclosure;

(h) stricter regulations governing the purchase of medications and pharmaceutical drugs, which are highly regulated; and

(i) reputational and potential financial risk to the Group's operations caused by the independent actions of doctors, including the prices they charge patients for their services.

In particular, the patient volumes and operating income at the Group's hospitals and clinics are subject to economic and seasonal variations caused by a number of factors, including, but not limited to:

(i) unemployment levels;

(ii) the cultural and business environment of local communities and in the home countries of medical travellers;

(iii) the number of uninsured and underinsured patients in local communities;

(iv) seasonal cycles of illness;

(v) changes in visa and immigration requirements or border control policies;

(vi) climate and weather conditions; and

(vii) recruitment, retention and attrition of physicians and other medical staff, including nurses and pharmacists.

In addition, a slowdown in the global economy might lead to a decrease in demand for private healthcare services as more patients opt for subsidised public healthcare services or treatments which are more price competitive.

Any failure by the Group to effectively manage these challenges may have a material adverse effect on the Group's business, financial conditions, results of operations and prospects.

The business of the Group is dependent on obtaining and renewing of requisite approvals, licences and/or permits.

The healthcare industry is highly regulated in the jurisdictions that the Group operates in. The Group's business operations are dependent on obtaining and renewing relevant approvals, permits and licensing requirements to conduct its day-to-day operations, such as the hospital and medical clinic licences issued by the Ministry of Health in Singapore and relevant authorities in China, Hong Kong, Japan, Vietnam and Cambodia. In addition, only qualified medical practitioners who are licensed may practise medicine or dentistry (as the case may be). There is no assurance that the Group and its medical practitioners will be successful with their application for approvals, licences and permits, or be able to renew existing approvals, licences and permits when they lapse as the approval or renewal of the approvals, licences and permits may be at the discretion of the relevant authorities. There is also no assurance that the approved or renewed approvals, licences or permits will be granted in a timely manner or on terms acceptable to the Group or to its medical practitioners. If the Group's medical practitioners lose their approvals, licences or permits or are unable to renew their approvals, licences or permits rendering them unable or ineligible to practise, affected clinics may have to cease operations if the Group is unable to replace them with licenced medical practitioners on a timely basis. In addition, any failure by the Group's hospitals and/or clinics to obtain or renew the requisite approvals, licences or permits in a timely manner or at all, or any withdrawal of approvals, licences or permits, may result in the imposition of penalties on the Group or suspension of its operations, which could materially and adversely affect the business, financial condition, results of operations and prospects of the Group.

The approvals, licences and permits obtained by the Group are subject to conditions stipulated in such approvals, licences and permits and/or in the relevant laws, rules or regulations under which they have been issued, which conditions must be complied with for the duration of such approvals, licences and permits. Where there is a failure to comply fully with the stipulated conditions, the relevant authorities have the power to revoke the Group's approvals, licences or permits, and in such instances, the Group's business, financial condition, results of operations and prospects may be adversely affected.

The prerequisites to obtaining the relevant approvals, licences and permits in the healthcare services industry may evolve and change over time and new or more stringent policies may be introduced. There is no assurance that the Group will be able to adapt expeditiously to new laws, regulations or policies that may come into effect from time to time. If the Group fails to comply with new policies and regulations, or if such policy changes disrupt the Group's business operations or cause it to incur additional costs, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group is highly dependent on its doctors, nurses and other healthcare professionals.

The performance and growth strategy of the Group depends substantially on the Group's ability to attract and retain experienced doctors, nurses and other healthcare professionals. The Group competes for these personnel with other healthcare providers, including public healthcare institutions. The supply of both new and experienced doctors and nurses are subject to healthcare manpower policies of the relevant authorities.

The demand for doctors is highly competitive. The supply of specialist doctors is limited by the training period, which can be up to 15 years and even longer for certain medical specialties. The Group believes that the key factors that doctors consider before deciding where they will work include the reputation of the healthcare institution, the quality of the facilities, the range of specialties offered by the healthcare institution, the ability of the healthcare institution to attract adequate patient load, research and teaching opportunities, compensation (subject to local rules and regulations) and community relations.

The Group's performance also depends on its ability to identify, attract and retain other healthcare professionals, such as nurses, physiotherapists, radiographers and pharmacists, to support the services provided at the Group's hospitals and clinics. In March 2021, the Ministry of Health announced pay increases for nurse and healthcare workers in the public healthcare sector. Such initiatives, along with the tight supply of healthcare professionals, may cause salaries and wages in the healthcare sector to rise which would lead to an increase in costs to recruit and retain these healthcare professionals.

In addition, doctors and nurses qualified in one country may not be recognised in another country and may not be able to easily work in another country due to immigration and/or foreign worker policies.

If the Group is unable to attract or retain doctors or other healthcare professionals as required, it may not be able to maintain the quality of its services and could be forced to admit fewer patients, which may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Although the Group has occasionally engaged locum doctors and/or part-time healthcare professionals for short periods of time to cover staffing requirements, there is no assurance that the Group will continue to be able to engage such locum doctors and/or part-time healthcare professionals as and when required on terms acceptable to the Group.

The Group's newly developed facilities may experience delays in reaching full operational capacity and may not successfully integrate with its existing hospitals and healthcare businesses or achieve the synergies and other benefits the Group expects from such expansion.

New hospital projects are characterised by long gestation periods and substantial capital expenditures. The Group may not achieve the operating levels that it expects from newly developed facilities (e.g. Raffles Hospital Chongqing and Raffles Hospital Shanghai), and it may not be able to achieve its targeted returns on investments on, or benefits from, these projects. The Group's newly developed facilities may not successfully integrate with its existing hospitals and healthcare businesses or achieve the synergies and other benefits that the Group expects from such expansion.

Developing and operating new facilities could also be subject to certain additional risks, including:

(a) difficulties pertaining to the setting up of new hospital operations, including risks related to planning, construction, securing the required approvals, permits and licences, human resources and patient admissions;

(b) difficulties in the integration of the assets and operations of new hospitals and healthcare businesses with the Group's existing hospitals and healthcare businesses;

(c) the diversion of management's attention away from the Group's existing hospitals and healthcare businesses and an interruption of, or a loss of momentum in, the activities of such hospitals and healthcare businesses;

(d) the diversion of doctors and patients from the Group's existing hospitals and healthcare businesses and a loss of revenue at such hospitals and healthcare businesses;

(e) the failure to realise expected profitability or growth;

(f) the failure to realise expected synergies and cost savings;

(g) difficulties arising from coordinating and consolidating corporate and administrative functions, including the integration of internal controls and procedures such as timely financial reporting;

(h) difficulties in recruiting and retaining doctors, nurses and other healthcare professionals at existing and new hospitals; and

(i) unforeseen legal, regulatory, contractual, labour or other issues.

If the Group is unable to manage the growth in its business or is unable to successfully commence operations of, or integrate, newly developed facilities, the Group's reputation and ability to compete effectively could be impaired, which would have a material and adverse effect on its business or financial condition, results of operations and prospects.

The Group's clinics are subject to lease renewals and relocation risks.

Despite the fact that the Group owns its key hospital assets (i.e. Raffles Hospital Singapore, Raffles Hospital Chongqing and Raffles Hospital Shanghai), many of its network clinics, including Raffles Hospital Beijing, are leased from third parties. The average initial tenure of these leases is for three years and the Group typically has an option to renew these leases for further periods. While the Group has not faced any issues with renewing its leases as at the Latest Practicable Date, there is no assurance that it will be able to renew all these leases in the future. Failure to renew any of these leases, or early termination, may force the Group to relocate the affected operations.

The strategic locations of the Group's clinics have enabled it to conveniently serve its patients. However, there is no assurance that the Group will always be able to keep its clinics at these locations. For example, in the event that there is an increase in rental and/or redevelopment and/or upgrading works being carried out by landlords of properties on which the Group's clinics are located, the Group may be forced to relocate or absorb the higher rental costs, as the case may be. Relocation will cause disruptions to the Group's normal business operations and it may have to incur additional expenses associated with relocation. Moreover, the inability to relocate the Group's clinics to new premises that are in close proximity to the existing premises may lead to a loss of its existing pool of patients. If these develop into actual events, the Group's financial condition, results of operations and prospects may be materially and adversely affected.

The Group's revenue is dependent on the provision of inpatient treatments, ancillary services and outpatient primary care to individual patients and corporate clients who opt for private healthcare services, all of which could decline due to a variety of factors.

For the financial year ended 31 December 2021, the revenue attributable to the Group's hospital services and healthcare services accounted for approximately 41% and 54% of the Group's total revenue for reportable segments, respectively.

Growth in inpatient income and increasing or maintaining occupancy rates at the Group's hospitals is highly dependent on brand recognition, wider acceptance in the communities in which the Group operates, its ability to attract and retain well-known and respected doctors, its ability to offer desired and efficient services in the communities in which it operates, and its ability to

develop complex treatment practices and compete effectively with other hospitals and clinics. Growth in revenue from inpatient treatments may also be impaired by a decrease in medical travellers. Medical travellers tend to receive more complex treatment and procedures that are more revenue intensive, which results in the average revenue per medical traveller being comparatively higher than the average revenue per inpatient. A decrease in medical travellers may cause a larger decrease in the Group's revenue from inpatient treatments than a similar decrease in local patients. In addition to inpatient treatments, the Group's revenue is dependent on the provision of ancillary services, such as diagnostic laboratory services, as well as the provision of outpatient primary care, including executive health screening. The Group's inability to increase revenue from inpatient treatments and complex medical treatments that have high revenue intensity, manage inpatient occupancy, or increase revenue from outpatient primary care and ancillary services, may have a material adverse effect on its business, financial condition, results of operations and prospects.

In addition, the Group is affected by the financial ability and the willingness of individual patients, as well as corporate clients, to pay for private healthcare services. A slowdown in the economies in which the Group operates may lead to a decrease in demand for private healthcare services as more individual patients may opt for subsidised public healthcare services or treatment from other private healthcare providers that are more price competitive. Corporate clients typically conduct periodic reviews on the level of medical benefits provided to their employees and any changes to these medical benefits may affect the value of the Group's corporate contracts. A decrease in the demand for private healthcare services from individual patients, corporate clients and government clients may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The provision of healthcare services through hospitals is capital intensive and has high fixed costs.

New hospitals have high start-up and fixed costs. The healthcare service industry is also subject to other high fixed costs such as specialised hospital equipment, resident physicians, ancillary medical and support staff, which are fairly fixed according to the intended capacity of a hospital and do not vary significantly with inpatient admissions. Thus, the healthcare service industry is generally more susceptible to the adverse impact of external shocks, as compared to other industries with lower fixed costs. As the healthcare service industry is generally characterised by high fixed costs, any shortfall in revenue levels as a result of external shocks, including economic downturns and other events that result in a disruption in inpatient admissions, could have an adverse impact on financial performance. There can be no assurance that such external shocks will not have an adverse impact on the Group's operations and financial condition. If any external shocks occur that adversely affect the provision of healthcare services in general, the Group may experience decreased revenue but would likely not see an immediate corresponding decrease in its fixed costs, which would have a material and adverse impact on its business, operations and financial condition.

The Group may not be able to successfully compete for patients with other hospitals and healthcare providers across the countries in which it operates.

The healthcare industry in Singapore, China, Hong Kong, Japan, Vietnam and Cambodia is highly competitive. There are other hospitals and clinics that provide services similar to those offered by the Group. If any of the Group's hospitals and clinics fail to live up to regulatory and/or patient requirements, standards and expectations relative to other operators, the Group's ability to attract and retain patients and medical professionals alike will decline.

The Group competes with government-owned hospitals, private hospitals, hospitals owned or operated by non-profit and charitable organisations, and individual practitioners in the countries in which it operates. Some of these competitors may be more established and have better medical facilities and may offer better medical care and services than the Group. New or existing competitors may price their services at more competitive rates than the Group's price or offer greater convenience or better services or facilities than that provided by the Group. Smaller hospitals, stand-alone clinics and other hospitals with lower cost structures may exert pricing pressures on some or all of the Group's services and also compete with the Group for doctors and other medical professionals. Some of the Group's competitors may also have plans to expand their hospital networks, which may exert further pressure on pricing and recruitment and operating costs on the Group. If the Group is unable to price its services competitively or is unable to attract patients or manage its operating costs, its business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group is dependent on certain key management.

The Group is dependent on certain key members of its management team to manage its current operations and meet future business challenges. They have been integral to the development and business operations of the Group. The loss of the services of the Group's senior management or key personnel could seriously impair its ability to continue to manage and expand its business.

The Group does not maintain key man life insurance for the senior members of its management team or other key personnel.

Although the Group has succession plans in place and continues to develop its talent pool in order to ensure management continuity, the loss of the services of any of the key management personnel may have a material adverse effect on the Group's operations.

If the Group does not receive payment on a timely basis, the Group's results of operations could be materially and adversely affected.

The primary collection risk of the Group's account receivables relates to the failure by individual patients, corporate customers and their healthcare insurers to pay in a timely manner and in full for the services that the Group has provided. It is possible that healthcare insurers and corporate customers may change their reimbursement policies and coverage plans in the future such that the payment period may be extended or services which the Group provided to patients are no longer covered.

In addition, individual patients who do not have healthcare insurance may not be able to pay the full fees for the services they have received. Even though the amount of bad debts written off and allowance for doubtful debts by the Group has not changed materially for the financial years ended 31 December 2019, 2020 and 2021, if the Group does not receive payment on a timely basis, its results of operations and cash flow may be materially and adversely affected.

Compliance with applicable safety, health, environmental and other governmental regulations may be costly and adversely affect the Group's competitive position and results of operations.

The Group is subject to national and local laws, rules and regulations in the countries in which it operates, governing, among other things:

(a) the conduct of the Group's operations;

(b) additions to facilities and services;

(c) the adequacy of medical care;

(d) the quality of medical facilities, equipment and services;

(e) the purchase of medications and pharmaceutical drugs;

(f) the noise pollution, discharge of pollutants to air and water and handling and disposal of bio-medical, radioactive and other hazardous waste;

(g) the qualifications of medical and support personnel;

(h) the confidentiality, maintenance and security issues associated with health-related information and medical records; and

(i) the screening, stabilisation and transfer of patients who have emergency medical conditions.

Safety, health and environmental laws and regulations in the countries in which the Group operates are stringent and it is possible that they will become significantly more stringent in the future. If the Group is held to be in violation of such regulatory requirements, including conditions in the permits required for its operations, by courts or governmental agencies, it may have to pay fines, modify, suspend or discontinue its operations, incur additional operating costs or make capital expenditures. Any public interest or class action legal proceedings related to such safety, health or environmental matters could also result in the imposition of financial or other obligations on the Group.

Any such costs may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group. In addition, the operation of the Group is subject to various laws and regulations which relate to the procurement of large medical equipment, the pricing of medical services, the operation of radiotherapy and diagnostic imaging equipment, the licensing and operation of medical institutions and the licensing of relevant medical staff. The Group's growth prospects may be constrained by such rules and regulations, particularly those relating to the procurement of major medical equipment.

If the Group fails to comply with such applicable laws and regulations, the Group could be required to make significant changes to its business and operations or suffer fines or penalties, including the potential loss of its business licenses, the suspension from use of its medical equipment, and the suspension or cessation of operations at its hospitals and/or clinics. The occurrence of such events may materially and adversely affect the business, financial condition, results of operations and prospects of the Group.

The Group has been and could become the subject of, or perceived to be, associated with governmental investigations, claims and litigation, as well as medical malpractice litigation brought by patients and patient complaints which may affect the Group's brand name and reputation.

The success of the Group depends significantly on the recognition of the "Raffles" brand name and its reputation in the healthcare industry as a reliable service provider. As a healthcare provider, the Group is exposed to the risk of legal claims and/or regulatory actions arising from the provision of healthcare services. Healthcare companies are subject to routine audits and may be subject, in the event of complaints, to investigations by various governmental agencies, as well as claims and litigation by patients. Should the Group be found to be non-compliant with any of the relevant laws and regulations, the Group may face penalties, suspension of operations or even revocation of operating licenses, which may materially and adversely affect its brand name and reputation, business, financial condition, results of operations and prospects.

In addition, legal action may be taken against the Group as a result of medical malpractice and negligence. In particular, with the advent of new technologies and modalities of treatment, the amount of medical malpractice litigation brought by patients has increased across the industry. Such medical malpractice litigation is typically brought against the patient's doctor and may also

seek to include as a defendant the hospital and/or clinic at which treatment was given. Due to the fact that the Group treats complex medical conditions, such as cancer and heart and vascular issues, which do not have guaranteed positive outcomes, the Group is exposed to such medical malpractice litigation. Further, even if the Group is not involved in such medical malpractice litigation, the reputation of the Group's hospitals and/or clinics may be adversely affected by the Group's association with the doctor involved in the medical malpractice litigation. In addition, if such medical malpractice litigation is not decided in favour of the doctor or the Group, the business, financial position, results of operations and prospects of the Group may be materially and adversely affected.

There is no certainty that medical negligence insurance taken by the Group will be sufficient to fully indemnify it against all such liabilities. If such claims exceed the insurance coverage taken up by the Group or the claims are not covered by insurance policies taken by the Group, the Group would have to fund such losses or damages from its internal resources which may have a material adverse impact on its financial position and results of operations.

The Group may also, from time to time, be the subject of complaints from patients. Any complaint against the Group's medical practitioners, its healthcare professionals or the Group may also result in investigations and/or disciplinary actions by the relevant governing professional body (including the Singapore Medical Council and Ministry of Health) which could in turn result in fines, suspension and/or the revocation of licences. The occurrence of any of the foregoing events may have a material adverse impact on the staff morale, business, financial condition, results of operations and prospects of the Group.

The business of the Group may also be affected by negative publicity resulting from social media reviews, publication of industry findings and research reports. Such negative publicity, regardless of their validity, may affect the number of patients visiting the hospitals and clinics owned by the Group and the Group's revenue and profits may, as a result, be adversely affected.

Potential liability for environmental problems could result in unanticipated costs.

The Group's operations may utilise certain materials, processes or installations which are regulated pursuant to various environmental laws, including those relating to health and hygiene, waste disposal, and storage of hazardous materials, or may require environmental permits from regulatory authorities. These items include, but are not limited to, medical or infectious waste, incinerators, and harmful chemical solvents and/or by-products. The costs of removal or remediation of such substances could be substantial. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of hazardous substances. There can be no assurance that potential environmental liabilities do not exist or will not arise in the future. The presence of contamination or hazardous substances on the Group's facilities may require the Group to incur unbudgeted capital expenditure to remedy the issues, which could have a material adverse effect on the Group's business, financial condition, results of operations, and prospects.

The Group is reliant, to some extent, on its brand name and other trademarks in its businesses.

The Group relies upon the "Raffles" brand name and other trademarks for its businesses. Please refer to the section entitled "*Description of the Issuer – Intellectual Property*" for further details. If the Group fails to protect and enhance its brand identities, the market recognition of each of the Group's brands and trademarks may deteriorate. Any claims and legal actions brought forward by the Group's patients may also have a negative impact on its brand image. As such, the Group may not attract optimum utilisation of its services and, as a result it may have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

Regulation of healthcare costs may adversely affect the Group.

In November 2018 and December 2020, the Ministry of Health published fee benchmarks for private sector professional fees for common surgical procedures, and anaesthetists' and inpatient doctors' fees, respectively (the "**MOH Fee Guidelines**"). The MOH Fee Guidelines stipulate a range of fees for each procedure and takes into account factors including the complexity of medical procedures and the time, effort and expertise required. While the MOH Fee Guidelines are a guideline, and medical practitioners are not required to price their services within the guidelines, the Group has adopted a pricing model ("**Group Pricing Model**") that is benchmarked to the prevailing MOH Fee Guidelines. However, there is no assurance that the MOH Fee Guidelines may not be revised in the future, and to the extent that the MOH Fee Guidelines are lowered, the Group may adjust the Group Pricing Model such that its fees are reduced to conform with these lowered MOH Fee Guidelines, and any such lower fees may reduce its revenues and profitability.

Rapid technological advances, technological failures and other challenges related to medical equipment and IT systems could adversely affect the Group's business and increase its capital expenditure.

The Group owns and uses sophisticated medical equipment, devices and systems in its hospitals and clinics for the treatment of patients. Such medical equipment needs to be upgraded frequently as innovation can rapidly make existing equipment obsolete. In addition, if the equipment is damaged or breaks down, key parts may not be available, thus impairing the Group's ability to provide the relevant services to its patients. Replacement, upgrading or maintenance of equipment may incur significant costs.

The Group's IT systems are a critical part of its business and internal control and management systems, and help to manage clinical systems, medical records and inventory. Any technical failures associated with the IT systems, including those caused by power failures and computer viruses and other unauthorised tampering, may cause interruptions in the Group's ability to provide services to its patients. Also, if the IT systems are not upgraded as needed, the Group may not be able to adequately manage its clinical systems, medical records and inventory.

Regulations to which the Group is subject may require licensees of a private hospital, medical clinic or healthcare establishment to keep and maintain proper medical records. In this regard, such licensees are generally required to take all reasonable steps, including implementing such processes as are necessary, to ensure that such medical records are accurate, complete and up-to-date, and to implement adequate safeguards (whether administrative, technical or physical) to protect the medical records against accidental or unlawful loss, modification or destruction, or unauthorised access, disclosure, copying, use or modification. The Group's business requires it to handle, store and manage personal information pertaining to its patients, as well as transmit personal, confidential and proprietary information, such as customers' credit card details, over public networks. Any contravention of these laws and regulations may render the person committing the offence to be liable on conviction to a fine or imprisonment. These laws, rules and regulations are subject to change. Compliance with new privacy and security laws, regulations and requirements may result in increased operating costs and may constrain or require the Group to alter its business model or operations which may in turn affect its business, financial condition, results of operations and prospects.

The Group has taken measures to maintain the confidentiality of the medical and personal information relating to its patients. However, these measures may not always be effective in protecting the relevant medical information.

While the Group believes that its current collection and usage of medical and personal information is in compliance with applicable laws and regulations governing the collection and use of such

information, there can be no assurance that the Group will not be exposed to risks relating to the handling of medical and personal data. There is no assurance there will be no future data leakage or improper use of medical and personal information due to technology failures, human error or lapses in the Group's controls over access to such information, particularly as the Group performs some of its physician consultations through its remote telemedicine capabilities.

If the Group is unable to keep up with technological advances or if there are any technical failures of its IT systems, the business, financial condition, results of operations and prospects of the Group may be adversely affected.

The Group may fail to integrate, control, update or secure its IT systems.

The efficient operation of the Group's business depends on its IT systems. The Group relies on its IT systems to, among other things, schedule and manage the provision of services to its patients, effectively manage accounting and financial functions, monitor internal cost factors and facilitate consultations among medical professionals. These systems are often tailored to the particular needs of patients and the specific markets in which the Group operates.

If the Group experiences an interruption or a reduction in the performance, reliability or availability of its information systems from natural or man-made causes, or from disruptions from its local service providers, its operations and ability to manage its administrative systems could be adversely impacted. Any technical failures associated with its IT systems, including those caused by power failures, computer viruses and other unauthorised tampering may cause interruptions in its ability to provide services to its patients. Corruption of certain information could also lead to delayed or inaccurate judgments or diagnoses in its treatment of patients and could result in damage to patients' welfare.

The Group's business depends significantly on effective IT systems, and it has several different IT systems for various businesses across the countries in which it operates. Failure to effectively maintain and upgrade those IT systems could adversely affect its business. Moreover, the proposed expansion of facilities and acquisition of new centres requires transitions to or from, and the integration of, various information systems. The failure to implement and maintain sufficiently advanced technological capabilities could result in competitive and cost disadvantages to the Group as compared to its competitors. In the event of any failure of its IT systems, the inability to effectively implement its business continuity plans would lead to a disruption in operations and may have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group's IT systems require an ongoing commitment of resources to maintain and enhance existing systems and develop new systems in order to keep pace with continuing changes in information processing technology. The Group is also reliant on its IT vendors, including its internet service providers, to provide continued technical support and to maintain the integrity of the IT systems.

The Group may be subject to cyber-attacks and other cybersecurity risks and threats.

The Group may be subject to cyber-attacks and other cybersecurity risks and threats, including computer break-ins, phishing, and social engineering. Such vulnerabilities may put it at risk for possible losses due to fraud or operational disruption. If the Group is unable to prevent or contain the effects of any cyber-attacks, or prevent other privacy or data security incidents that result in security breaches that disrupt operations or result in the unintended dissemination of sensitive personal information or proprietary or confidential information, the Group may incur financial losses, substantial regulatory fines or penalties, liability, reputational harm, and the downtime required to rectify any such security breaches that may disrupt its business, and/or also lead to material adverse effects on its business, financial condition, results of operations and prospects.

While steps have been taken to mitigate such risks, such as the engagement of third party cybersecurity companies focused on threat detection and response, there is no assurance that any steps that the Group may take to mitigate such risks will be sufficient to prevent the occurrence of such cyber incidents or cover all losses arising from such cyber incidents.

Clinical governance risk is an inherent operational risk relating to the Group's business.

The Group is committed to ensuring that customers are treated and cared for according to evidence-based best practice, high clinical standards and with a view to patient safety. In furtherance of such a commitment to safety, the Group only permits qualified doctors accredited by the Singapore Medical Council to practise within Raffles Hospital and its clinics. In China, the Group only permits doctors issued with a medical practitioner certificate by the National Health Commission of China to practise within its hospitals and clinics. The Group also receives recommendations and feedback on systems and controls relating to clinical governance within the Group and has established a committee known as the Medical Board which oversees, among other things, the training and professional conduct of doctors who practise with the Group. The foregoing approaches are designed to ensure oversight across the Group. Failure to adequately monitor clinical risks could lead to regulatory action against the Group and may have a material and adverse impact on its business, financial condition, results of operations and prospects.

The Group's insurance coverage and indemnities may not cover all damages and losses.

The Group requires its doctors to take out professional indemnity insurance policies at their own costs. Although the Group has assessed its risks and purchased insurance including, amongst others, medical malpractice, work injury compensation, public liability, industrial special risk, there is however no assurance that the present insurance coverage will be sufficient to cover all potential liabilities and risks that the Group may face. There is also no certainty whether any or all of the relevant insurers will remain solvent and meet their contracted obligations to provide the coverage contracted for.

Should there be adverse developments such as terrorist attacks and other natural or man-made disasters such as earthquakes, floods, fire hazards and other events beyond the Group's control in Singapore, China or any other regions where it has operations, the Group may not have adequate insurance coverage to cover these liabilities and risks and its business, financial condition, results of operations and prospects may be materially and adversely affected. If the arrangements for insurance are insufficient, including coverage for any claims which exceed aggregate policy limits, the Group may be required to make substantial payments, which may have a material adverse effect on its business, financial condition, results of operations and prospects.

If the Group is unable to identify expansion opportunities or experience delays or other problems in implementing such projects, its growth, business, financial condition, results of operations and prospects may be adversely affected.

The Group's growth strategy depends, to an extent, on its ability to fund, build or acquire and manage additional hospitals and healthcare businesses. The Group may also expand, improve and augment its existing hospitals and healthcare businesses. The Group is continuously evaluating other projects, including acquisition opportunities, some of which it may realise in the imminent future and which may be material. Such acquisitions and expansions are capital expenditure intensive. The Group may not be able to identify suitable sites for new healthcare businesses, acquisition candidates or negotiate attractive terms for such projects, or expand, improve and augment its existing businesses. The number of attractive expansion opportunities may be limited, and may command high valuations, and the Group may be unable to secure the necessary financing to implement expansion projects. Development and construction costs of these projects may escalate substantially beyond the Group's budgets, resulting in pressure on its

financial conditions and cash flows or in the project being no longer feasible. Furthermore, these projects may be subject to unforeseen legal or regulatory issues, such as changes in such laws and regulations or difficulty in obtaining licences, approvals or permits that the Group require to operate its businesses. For example, Raffles Hospital Shanghai was initially scheduled to commence operations in the second half of 2019, but as a result of difficulties associated with building and/or construction delays as well as the COVID-19 pandemic, its commencement of operations was deferred to mid-2021. If the Group is not able to successfully identify opportunities to build, acquire or expand its additional and existing hospitals and healthcare businesses or face difficulties or delays in the process of developing, acquiring or expanding such operations, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

Future acquisitions, joint ventures or other arrangements may expose the Group to increased risks.

The Group expects that it may from time to time, as a matter of business strategy, enter into healthcare development projects or grow its portfolio through the formation of joint ventures, strategic alliances, partnerships or other investment structures. Acquisitions that the Group may make, along with potential joint ventures and other investments, may also expose the Group to additional business and operating risks and uncertainties, including, among other things, the inability of the Group to exert control over strategic decisions made by these companies.

The Group may also face the risk that its joint venture partners are unable or unwilling to fulfil their obligations under the relevant joint venture agreements, including the possibility of the joint venture partners failing to perform because they do not possess adequate experience or the skill sets expected of them. The Group's joint venture partners may also experience financial or other difficulties, which may affect their ability to carry out their contractual obligations, thus resulting in additional costs to the Group.

There is no assurance that such acquisitions, joint ventures, strategic alliances and partnerships will be successful. If the Group is unable to successfully implement the Group's growth strategy or address the risks associated with the Group's acquisitions, joint ventures, strategic alliances and partnerships, or if the Group encounters unforeseen difficulties, complications or delays frequently encountered in connection with the integration of acquired businesses and the expansion of operations, or if the Group fails to achieve acquisition synergies, the Group's business, financial performance, financial condition and operating cash flow may be materially and adversely affected.

The Group's ability to borrow in the bank or capital markets may be materially and adversely affected by a financial crisis in a particular geographic region, industry or economic sector.

The Group's ability to borrow in the bank or capital markets to meet the financial requirements of the Group is dependent on favourable market conditions. Financial crises in particular geographic regions, industries or economic sectors could in the future, lead to sharp declines in the currencies, stock markets and other asset prices in those geographic regions, industries or economic sectors, which in turn threaten affected companies, financial systems and economies, and which may also significantly increase the costs of such borrowing. The Group relies on, *inter alia*, bank loans to satisfy its capital requirements and the existing level of indebtedness of the Group may also materially impact its ability to raise additional financing and/or refinancing on competitive terms and its cost of funding may increase in the event of any financial crises.

Geopolitics, in particular, continues to be an area of concern, including ongoing threats of terrorism, instability in the Middle East and tensions in East Asia and in Ukraine. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict the Group's access to capital. These conditions have resulted in higher historic volatility, less liquidity, widening of credit spreads and a lack of price transparency in certain markets.

For these or other reasons, the Group may be unable to obtain future financing on favourable terms, or at all, to fund the Group's operations, anticipated capital expenditure and working capital requirements which may have a material and adverse effect on the business, financial condition, results of operations and prospects of the Group.

The Group may be susceptible to fluctuation in foreign exchange rates that could result in the Group incurring foreign exchange losses.

The Group is exposed to foreign exchange rate risk arising from translation as a consequence of operating in different countries. The Group is exposed to the risk of losses arising from adverse and/or volatile movements in exchange rates. The effect of exchange rate fluctuations on local operating results could lead to significant fluctuations in the results reported in the Group's consolidated financial statements upon the translation of the Group's results into Singapore Dollars. Foreign exchange fluctuation could materially and adversely affect the Group's reported results due to unhedged positions. If the Group were to suffer substantial losses due to exchange rate volatility, it may adversely affect the Group's results of operations and financial condition.

The Group operates an insurance arm through its wholly-owned subsidiary, which may be vulnerable to catastrophic events or health epidemics.

The Group's insurance business is exposed to the risk of unpredictable liabilities for insurance claim payments in the event of catastrophic events or health epidemics. Catastrophes can be caused by various natural hazards, including floods, severe weather and fires, and can also be man-made, such as terrorist attacks, wars, industrial or engineering accidents or the outbreak of communicable diseases. On the occurrence of such catastrophes, the Group's insurance business may face an elevated incidence of claims or surrenders of policies.

The COVID-19 pandemic has the potential to affect a significant percentage of Singapore's population and may have long-term health effects, which may result in significant exposure to morbidity risk and increased claims or surrender of policies on the Group's health insurance policies. In addition, in the event of prolonged economic downturn in Singapore or elsewhere, which may be characterised by higher unemployment, lower household income, lower corporate earnings, lower business investment and lower consumer spending, the Group may also experience an elevated incidence of claims or surrenders of policies. There can be no assurance that such increased claims or surrenders of policies will not materially and adversely affect the Group.

The Group's Executive Chairman and Non-Independent Director, Dr. Loo Choon Yong, has considerable influence over important shareholder matters due to his significant voting power over the Issuer's shares.

The Group's Executive Chairman and Non-Independent Director, Dr. Loo Choon Yong, had an interest (directly and indirectly) in approximately 52.47% of the Issuer's total issued share capital (including treasury shares) as at the Latest Practicable Date. Accordingly, the Group's Executive Chairman and Non-Independent Director has the ability to exercise significant control over most matters requiring shareholders' approval, including the election and removal of Directors and the approval of significant corporate transactions, as well as have veto power with respect to any shareholder action or approval requiring a majority vote. This control could delay, defer or prevent a change in control of the Issuer, impede a merger, consolidation, take-over or other business combination involving the Issuer, or otherwise discourage a potential acquirer from making a take-over offer or attempting to obtain control of the Issuer.

RISKS ASSOCIATED WITH AN INVESTMENT IN NOTES

The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Notes linked to or referencing such "benchmarks"

The Programme allows for the issuance of Notes that reference certain interest rates or other types of rates or indices which are deemed to be "benchmarks", including the SORA, in particular with respect to certain Floating Rate Notes where the reference rate may be SORA or another such benchmark. The Pricing Supplement for the Notes will specify whether SORA or another such benchmark is applicable.

Interest rates and indices which are deemed to be "benchmarks" (including SORA) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the UK Financial Conduct Authority ("**FCA**") or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of the London Interbank Offered Rate ("**LIBOR**") has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. On 5 March 2021, ICE Benchmark Administration Limited ("**IBA**"), the administrator of LIBOR, published a statement confirming its intention to cease publication of all LIBOR settings, together with the dates on which this will occur, subject to the FCA exercising its powers to require IBA to continue publishing such LIBOR settings using a changed methodology (the "**IBA announcement**"). Concurrently, the FCA published a statement on the future cessation and loss of representativeness of all LIBOR currencies and tenors, following the dates on which IBA has indicated it will cease publication (the "**FCA announcement**"). Permanent cessation will occur immediately after 31 December 2021 for all Euro and Swiss Franc LIBOR tenors and certain Sterling, Japanese Yen and US Dollar LIBOR settings and immediately after 30 June 2023 for certain other USD LIBOR settings. In relation to the remaining LIBOR settings (1-month, 3-month and 6-month Sterling, US Dollar and Japanese Yen LIBOR settings), the FCA will consult on, or continue to consider the case for, using its powers to require IBA to continue their publication under a changed methodology for a further period after end-2021 (end-June 2023 in the case of US Dollar LIBOR). The FCA announcement states that consequently, these LIBOR settings will no longer be representative of the underlying market that such settings are intended to measure immediately after 31 December 2021, in the case of the Sterling and Japanese Yen LIBOR settings, and immediately after 30 June 2023, in the case of the USD LIBOR settings. Any continued publication of the Japanese Yen LIBOR settings will also cease permanently at the end of 2022.

Separately, the euro risk-free rate working group for the euro area has published a set of guiding principles and high-level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing the Euro Interbank Offered Rate ("**EURIBOR**"). The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

It is not possible to predict with certainty whether, and to what extent, any benchmark will continue to be supported going forward. This may cause such benchmark to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. Due to the uncertainty concerning the availability of successor rates and alternative rates and the involvement of an Independent Adviser acting in consultation with the Issuer, the relevant fallback provisions may not operate as intended at the relevant time.

The Conditions of the Notes provide, among others, for the discontinuation of benchmarks discussed above. The elimination of any benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the interest calculation provisions of the Conditions, or result in adverse consequences to holders of any notes linked to such benchmarks (including but not limited to Floating Rate Notes or Notes which interest or distribution rates are linked to any benchmark that is subject to reform). Uncertainty as to the continuation of the Original Reference Rate (as defined in the Conditions of the Notes) and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Notes.

Benchmark Events (as defined in the Conditions of the Notes) include (amongst other events) permanent discontinuation of the Original Reference Rate. If a Benchmark Event occurs, the Issuer shall use commercially reasonable endeavours to appoint an Independent Adviser (as defined in the Conditions of the Notes) as soon as reasonably practicable. The Independent Adviser shall endeavour to determine a Successor Rate (as defined in the Conditions of the Notes) or Alternative Rate (as defined in the Conditions of the Notes) to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate may result in the Notes performing differently than they would do if the Original Reference Rate were to continue to apply in its current form.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser or, as the case may be, the Issuer, the Conditions of the Notes also provide that an Adjustment Spread (as defined in the Conditions of the Notes) may be determined by the Independent Adviser (in consultation with the Issuer) or, as the case may be, the Issuer and applied to such Successor Rate or Alternative Rate.

The Adjustment Spread is either a spread (which may be positive or negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as the case may be) determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which: (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (as defined in the Conditions of the Notes); or (if in the case of a Successor Rate for which no such recommendation has been made, or in the case of an Alternative Rate) (ii) the Independent Adviser (in consultation with the Issuer) or the Issuer (as the case may be) determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry accepted replacement rate for the Original Reference Rate, to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be); or (if no such determination has been made, or in the case of an Alternative Rate) (iii) the Independent Adviser (in consultation with the Issuer) or the Issuer (as the case may be) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be), to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) or (iv) if no such industry standard is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer (as the case may be) determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or

benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be). Accordingly, the application of an Adjustment Spread may result in the Notes performing differently than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate, Alternative Rate or Adjustment Spread for the Original Reference Rate is determined by the Independent Adviser (in consultation with the Issuer) or, as the case may be, the Issuer, the Conditions of the Notes provide that the Issuer may vary the Conditions of the Notes and the Trust Deed, as necessary to ensure the proper operation of such Successor Rate, Alternative Rate or Adjustment Spread, without any requirement for consent or approval of the Noteholders.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any international or national reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Limited liquidity of the Notes issued under the Programme

There can be no assurance regarding the future development of the market for the Notes issued under the Programme or the ability of the Noteholders, or the price at which the Noteholders may be able, to sell their Notes. The Notes may have no established trading market when issued, and one may never develop. Even if a market for the Notes does develop, there can be no assurance as to the liquidity or sustainability of any such market or the price at which Noteholders will be able to sell their Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Even if there is a secondary market, there can be no assurance that any secondary market activities will be continuous or regular. The value of the Notes may fluctuate for various reasons. This may particularly be the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally may have a more limited secondary market and more price volatility than conventional debt securities. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at their fair market value or at all.

The lack of liquidity may have a severely adverse effect on the market value of Notes. Although the issue of additional Notes may increase the liquidity of the Notes, there can be no assurance that the price of such Notes will not be adversely affected by the issue in the market of such additional Notes.

Although an application will be made for the listing and quotation of any Notes to be issued under the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. In addition, the market for investment grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Notes to be issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

Fluctuation of the market value of the Notes

The value of the Notes may fluctuate as a result of various factors, including: (i) the market for similar securities, (ii) general economic, political or financial conditions and (iii) the Issuer's and/or the Group's financial condition, results of operations and future prospects. Adverse economic developments, in Singapore as well as countries in which the Group operates or have business dealings, could have a material adverse effect on the operating results and/or the financial condition of the Group.

Further, recent global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of any Series or Tranche of Notes.

Interest rate risk

An investment in fixed-rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes and Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation risk

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

Performance of contractual obligations by the Issuer is dependent on other parties

The ability of the Issuer to make payments in respect of the Notes may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee and each of the Agents, of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Notes, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Noteholders and the Couponholders.

A change in Singapore law or administrative practice which governs the Notes may adversely affect Noteholders

The Notes are governed by Singapore law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of issue of the Notes and any such change could materially impact the value of any Notes affected by it.

The Notes may be represented by Global Notes or Global Certificates and holders of a beneficial interest in a Global Note or Global Certificates must rely on the procedures of the relevant Clearing System (as defined below)

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes or Global Certificates will be deposited with or registered in the name of, or in the name of a nominee of, a common depositary for Euroclear and/or Clearstream, or lodged with CDP (each of Euroclear, Clearstream and CDP, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive Definitive Notes or Certificates. The relevant Clearing System will maintain records of their accountholders in relation to the Global Notes and Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System.

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and/or Clearstream or, as the case may be, to CDP, for distribution to their accountholders or, as the case may be, to the Issuing and Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the relevant Notes. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes and Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

Similarly, holders of beneficial interests in the Global Notes and Global Certificates will not have a direct right under the respective Global Notes and Global Certificates to take enforcement action against the Issuer following an Event of Default under the relevant Notes but will have to rely upon their rights under the Trust Deed.

Enforcement of remedies

Enforcement of available remedies under the Trust Deed, the Notes, the Coupons and the Talons, could result in delays in recovery of amounts owed to the Noteholders by the Issuer. There is no assurance that the Trustee would recover all amounts secured upon such enforcement, and funds received may not be sufficient to make all required payments to any Noteholders.

Noteholders may be subject to tax in Singapore and other jurisdictions

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of the acquisition, ownership or disposition of the Notes. See the section titled "*Singapore Taxation*" for certain Singapore tax consequences.

Modification, waivers and substitution

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may at any time or times without the consent or sanction of the Noteholders or Couponholders concur with the Issuer in (i) making any modification to the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or (in the event the Notes are listed) is required by the relevant Stock Exchange, Euroclear, Clearstream, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed or any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees in writing, the Issuer shall cause such modification, authorisation or waiver to be notified to the Noteholders as soon as practicable in accordance with Condition 16 of the Notes.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments, but rather as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Notes may be issued at a substantial discount or premium

The market value of Notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Noteholders should be aware that Definitive Notes and Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade

In relation to any issue of Notes which have a denomination consisting of a minimum Denomination Amount plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Denomination Amount that are not integral multiples of such minimum Denomination Amount. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Denomination Amount will not receive a Definitive Note or Certificate in respect of such holding (should Definitive Notes or Certificates be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Denomination Amounts. If Definitive Notes or Certificates are issued, holders should be aware that Definitive Notes or Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Notes and Certificates will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote or attend meetings of Noteholders) in respect of such Notes.

The Notes are not secured

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

Accordingly, on a winding-up or dissolution of the Issuer at any time prior to maturity of any Notes, the Noteholders will not have recourse to any specific asset of the Issuer or any of its subsidiaries or associated companies (if any) as security for outstanding payment or other obligations under the Notes and/or Coupons owed to the Noteholders and there can be no assurance that there would be sufficient value in the assets of the Issuer after meeting all claims ranking ahead of the Notes, to discharge all outstanding payment and other obligations under the Notes and/or Coupons owed to the Noteholders.

Currency risk associated with Notes denominated in foreign currencies

As the Notes may be denominated in currencies other than currencies in which the Group's revenue, costs and capital expenditure are denominated in, the Issuer may be affected by fluctuations of such currencies in meeting the payment obligations under such Notes and there is no assurance that the Issuer may be able to fully hedge the currency risks associated with such Notes denominated in foreign currencies.

Exchange rate risks and exchange controls may result in Noteholders receiving less interest or principal than expected

The Issuer will pay principal and interest on the Notes in the currency specified. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency in which the Notes are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Notes are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Notes are denominated would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Noteholders may receive less interest or principal than expected, or no interest or principal at all.

Application of Singapore insolvency and related laws to the Issuer may result in a material adverse effect on the Noteholders

There can be no assurance that the Issuer will not become bankrupt, unable to pay its debts or insolvent or the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of the Issuer, the application of certain provisions of Singapore insolvency and related laws could have a material adverse effect on the Noteholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Noteholders.

Where the Issuer is insolvent or close to insolvent and the Issuer undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer. It may also be possible that if a company related to the Issuer proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer may also seek a moratorium even if the Issuer is not in itself proposing a scheme of arrangement. Further, it is not clear that an application by the Issuer for a moratorium will in itself constitute an event of default under the terms and conditions of the Notes and the Trustee may not be able to declare the Notes immediately due and payable upon the occurrence of such an event. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the consent of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the Issuer, the need to obtain court permission and (in the case of judicial management) the judicial manager's consent may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Furthermore, Noteholders may be made subject to a binding scheme of arrangement where the majority in number representing 75.0% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may, notwithstanding a single class of dissenting creditors, approve a scheme provided an overall majority in number representing 75.0% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such a scenario, Noteholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 of Singapore (the "**IRD Act**") was passed in the Parliament of Singapore on 1 October 2018, and came into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, a debenture. However, it may apply to related contracts that are not found to be directly connected with the Notes.

The Trustee may request Noteholders to provide an indemnity and/or security and/or pre funding to its satisfaction before taking action on behalf of Noteholders

In certain circumstances (including pursuant to Condition 11 of the Notes), the Trustee at its discretion may request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Noteholders. The Trustee shall not be bound to take any such action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take action, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such action directly.

Variable rate notes may have a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

If specified in the relevant Pricing Supplement, the Notes may be subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes with the feature. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, Noteholders generally would not be able to reinvest the redemption proceeds at an effective interest rate that is as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

The Notes are subject to mandatory redemption in the event of the delisting of the Issuer

In the event that the Issuer is unable to maintain its listing on the SGX-ST, the Issuer shall redeem all of the Notes at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption. In that event, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

Singapore taxation risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2023 are intended to be "qualifying debt securities" for the purpose of the ITA subject to the fulfilment of certain conditions more particularly described in the section titled "*Singapore Taxation*" of this Information Memorandum.

However, there is no assurance that the conditions for "qualifying debt securities" will be met or that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time or should the required conditions cease to be fulfilled.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds of an issuance of Notes will be used by the Issuer for financing the general corporate funding requirements of the Group or such other purposes as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearing and Settlement under the Depository System

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note or a Global Certificate for Depositors. Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**"). Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, the Agents or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream

Euroclear and Clearstream each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream are governed by the respective rules and operating procedures of Euroclear or Clearstream and any applicable laws. Both Euroclear and Clearstream act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the relevant paying agent, to the cash accounts of the relevant Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the IRAS and MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines or circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. It should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Prospective Noteholders are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Notes, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger nor any other persons involved in the Programme accept responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of the Notes.

1. Taxation relating to payments on Notes

Interest and other payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17%. The applicable rate for non-resident individuals is currently 22%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15%. The rate of 15% may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium or break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

The terms "break cost", "prepayment fee" and "redemption premium" are defined in the ITA as follows:

"**break cost**" means, in relation to debt securities and qualifying debt securities, any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

"**prepayment fee**" means, in relation to debt securities and qualifying debt securities, any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

"**redemption premium**" means, in relation to debt securities and qualifying debt securities, any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

As the Programme is wholly arranged by DBS Bank Ltd. which is a Financial Sector Incentive (Standard Tier) Company or Financial Sector Incentive (Capital Market) Company (as defined in the ITA) at the time of establishment of the Programme, any Tranche of the Notes issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2023 (the "**Relevant Notes**") would be, pursuant to the ITA, "qualifying debt securities" for the purposes of the ITA, to which the following treatments shall apply:

(a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, of a return on debt securities for the Relevant Notes within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Specified Income**") from the Relevant Notes paid by the Issuer and derived by a holder who is not resident in Singapore and who (i) does not have any permanent establishment in Singapore or (ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such operation in Singapore, are exempt from Singapore tax;

(b) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, of a return on debt securities for the Relevant Notes within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Specified Income from the Relevant Notes paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is generally subject to tax at a concessionary rate of 10% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(c) subject to:

(i) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(ii) the Issuer, or such other person as the MAS may direct, furnishing to the MAS a return on debt securities for the Relevant Notes within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

payments of Specified Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

(a) if during the primary launch of any Tranche of Relevant Notes, the Relevant Notes of such Tranche are issued to fewer than four (4) persons and 50% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by a related party or related parties of the Issuer such Relevant Notes would not qualify as "qualifying debt securities"; and

(b) even though a Tranche of Relevant Notes are "qualifying debt securities", if, at any time during the tenure of such Tranche of Relevant Notes, 50% or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Specified Income derived from such Relevant Notes held by:

(i) any related party of the Issuer; or

(ii) any other person who acquires such Relevant Notes with funds obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) is derived from any of the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore.

Notwithstanding that the Issuer is permitted to make payments of Specified Income in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose Specified Income (whether it is interest, discount income, prepayment fee, redemption premium or break cost) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

2. *Capital Gains*

Any gains considered to be in the nature of capital made from the sale of the Relevant Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Relevant Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Noteholders who adopt or are adopting Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement ("**FRS 39**"), Singapore Financial Reporting Standard 109 – Financial Instruments ("**FRS 109**") or Singapore Financial Reporting Standard (International) 9 – Financial Instruments ("**SFRS(I) 9**") (as the case may be) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Relevant Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "*Adoption of FRS 39, FRS 109 or SFRS(I) 9 treatment for Singapore income tax purposes*".

3. *Adoption of FRS 39, FRS 109 or SFRS(I) 9 treatment for Singapore income tax purposes*

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued an e-tax guide entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition & Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued an e-tax guide entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Noteholders who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. *Estate Duty*

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealer(s) under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Notes from the Issuer pursuant to the Programme Agreement.

The Arranger, the Dealer(s) or any of their respective affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer's or its respective affiliates' business. The Issuer may also from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third-party commissions (including, without limitation, rebates to private banks as may be specified in the applicable Pricing Supplement).

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

In connection with the issue of any Tranche of Notes, such Notes, when issued, may not have a market. The Dealer or Dealers (if any) may advise the Issuer that they intend to make a market in such Notes as permitted by applicable law. They are not obligated, however, to make a market in the Notes and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for such Notes.

The Arranger, the Dealer(s) or any of their respective affiliates may purchase Notes for its own account or enter into secondary market transactions or derivative transactions relating to the Notes, including, without limitation, purchase, sale (or facilitation thereof), stock borrowing or credit or equity-linked derivatives such as asset swaps, repackaging and credit default swaps, at the same time as the offering of the Notes. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Information Memorandum relates (notwithstanding that such selected counterparties may also be a purchaser of the Notes). As a result of such transactions, the Arranger, the Dealer(s) or any of their respective affiliates may hold long or short positions relating to the Notes.

The Arranger, Dealer(s) and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer and/or its subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealer(s) and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Programme, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. Notes issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

Accordingly, references herein to the Notes being "offered" should be read as including any offering of the Notes to the Arranger, the Dealer(s) and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

While the Arranger, the Dealer(s) and/or any of their respective affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause the Arranger, the Dealer(s) or any of their respective affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. The Arranger, the Dealer(s) or any of their respective affiliates may receive returns on such transactions and have no obligations to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

United States

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer or sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the relevant issue date, within the United States, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

    (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area (each, a "**Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "**professional investors**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**"), and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum has not been and will not be registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction (other than Singapore) where action for that purpose is required.

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or any interest therein or rights in respect thereof or has in its possession or distributes this Information Memorandum, any Pricing Supplement or any other document in connection with the offer or sale, or invitation for subscription or purchase, of the Notes.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Notes or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

APPENDIX I – GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

(a) Information on the Issuer's Board of Directors is set out on page 95 of this Information Memorandum.

SHARE CAPITAL

(b) As at the date of this Information Memorandum, there is only one class of ordinary shares in the Issuer. The rights and privileges attached to the shares are stated in the Issuer's Constitution.

(c) The issued share capital of the Issuer at the Latest Practicable Date is as follows:

Share Designation	(Number)	(S$)
Ordinary Shares	1,875,744,925	431,842,107.43

BORROWINGS

(d) Save as disclosed in Appendix II, the Group had as at 31 December 2021 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

(e) After taking into account its internal resources and available loan facilities, the working capital available to the Issuer as at the date of this Information Memorandum is sufficient for its present requirements.

CHANGES IN ACCOUNTING POLICIES

(f) There has been no significant change in the accounting policies of the Group since its audited financial accounts for the financial year ended 31 December 2021.

LITIGATION

(g) There are no legal or arbitration proceedings pending or threatened against the Issuer or any of its subsidiaries the outcome of which may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer or the Group.

MATERIAL ADVERSE CHANGE

(h) There has, at the Latest Practicable Date, been no material adverse change in the financial condition or business of the Issuer or the Group since 31 December 2021.

CONSENTS

(i) KPMG LLP, the auditor of the Group, has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

(j) Copies of the following documents may be inspected at the Issuer's registered address, being at the date of this Information Memorandum at 585 North Bridge Road, Raffles Hospital #11-00, Singapore 188770, during normal business hours for a period of six months from the date of this Information Memorandum:

(i) the Issuer's Constitution;

(ii) the Trust Deed;

(iii) the letter of consent referred to in paragraph (i) above;

(iv) the audited financial statements of the Group for the financial year ended 31 December 2021; and

(v) the audited financial statements of the Group for the financial year ended 31 December 2020.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

(k) The functions, rights and obligations of the Trustee are set out in the Trust Deed.

APPENDIX II – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The information in this Appendix II has been reproduced from the annual report of the Group for the financial year ended 31 December 2021 and has not been specifically prepared for inclusion in this Information Memorandum.

Independent Auditors' Report

Members of the Company
Raffles Medical Group Ltd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Raffles Medical Group Ltd (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 84 to 175.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Independent Auditors' Report

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

Valuation of goodwill
(Refer to note 5 to the financial statements)

Risk

The Group has goodwill with a carrying value of $18,322,000 (2020: $21,233,000) as at 31 December 2021. The goodwill is impaired when the carrying value of the cash generating unit (CGU) of which the goodwill is allocated to, exceeds their recoverable amount. The recoverable amount is the higher of their fair value less cost of disposal and its value in use. Estimating the recoverable amount involves significant judgement in determining an appropriate model and the underlying assumptions to be applied; coupled with the inherent estimation uncertainties that arise when estimating and discounting future cash flows. The recoverable amount is sensitive to inputs and assumptions underlying the model used. Some of the key inputs and assumptions relate to expectations of future cash flows, growth rates and discount rate.

Our response

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

Valuation of investment properties
(Refer to note 6 to the financial statements)

The Group owns investment properties in Singapore, which comprise primarily shop units and commercial space with a carrying value of $274,000,000 (2020: $294,600,000) as at 31 December 2021.

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

Our response

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

Independent Auditors' Report

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

Other information

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

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

Independent Auditors' Report

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Independent Auditors' Report

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
19 February 2022

Statements of Financial Position

As at 31 December 2021

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

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

Consolidated Statement of Profit or Loss

Year ended 31 December 2021

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

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

Consolidated Statement of Comprehensive Income

Year ended 31 December 2021

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

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2021

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

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

Consolidated Statement of Changes in Equity (cont'd)

Year ended 31 December 2021

	Share capital $'000	Translation reserve $'000	Equity compensation reserve $'000	Revaluation reserve $'000	Other reserve $'000	Reserve for own shares $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2021	420,966	(1,109)	30,671	16,367	(4,656)	(400)	437,157	898,996	15,401	914,397
Total comprehensive income for the year										
Profit for the year	–	–	–	–	–	–	84,171	84,171	(455)	83,716
Other comprehensive income										
Foreign currency translation differences - foreign operations	–	10,198	–	–	–	–	–	10,198	880	11,078
Total other comprehensive income for the year	–	10,198	–	–	–	–	–	10,198	880	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	5,380	–	2,390	–	(162)	(2,830)	(37,349)	(32,571)	–	(32,571)
At 31 December 2021	426,346	9,089	33,061	16,367	(4,818)	(3,230)	483,979	960,794	15,826	976,620

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

Consolidated Statement of Cash Flows

Year ended 31 December 2021

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

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

Notes To The Financial Statements

Year ended 31 December 2021

These notes form an integral part of the financial statements.

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

1 DOMICILE AND ACTIVITIES

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

The financial statements of the Group as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the Group).

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

The Group and the Company are the sole proprietor of the following:

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

The Group and the Company are partners of the following:

Changi Medical Services LLP
Raffles International Medical Assistance LLP

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 14 - lease term: whether the Group is reasonably certain to exercise extension options.

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

- Note 4 – estimation of useful lives and recoverable amounts of property, plant and equipment
- Note 5 – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts
- Note 6 – determination of fair value of investment properties on the basis of significant unobservable inputs
- Note 16 – insurance contract provisions

Measurement of fair values

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

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

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

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

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

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

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

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

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

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following amendments to SFRS(I)s for the first time for the annual period beginning on 1 January 2021:

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

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

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Subsidiaries

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

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

Written put option in business combination

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

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

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

Loss of control

When the Group 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 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate applicable at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss.

Foreign operations

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

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

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

3.3 Financial instruments

Recognition and initial measurement

Non-derivative financial assets and financial liabilities

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Classification and subsequent measurement

Non-derivative financial assets

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

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

Financial assets at amortised cost

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

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

Financial assets: Business model assessment

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Classification and subsequent measurement (cont'd)

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

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

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

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

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

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

Financial assets at amortised cost

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

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

Financial liabilities are classified as measured at amortised cost.

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Derecognition

Financial assets

The Group derecognises a financial asset when:

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

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

Financial liabilities

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

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

Offsetting

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

Cash and cash equivalents

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

Share capital

Ordinary shares

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Share capital (cont'd)

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

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

3.4 Property, plant and equipment

Recognition and measurement

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

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

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

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

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent costs

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

Depreciation

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

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

Depreciation (cont'd)

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

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

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

• Leasehold land	99 years, or lease term if shorter
• Properties	50 years
• Right-of-use assets (Properties)	2 to 10 years
• Medical equipment	8 to 10 years
• Furniture and fittings	10 years
• Office equipment	5 to 10 years
• Motor vehicles	10 years
• Computers	3 to 6 years
• Renovations	6 years, or lease term if shorter
• Facilities equipment	10 years

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

3.5 Intangible assets and goodwill

(i) Goodwill

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

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

(ii) Software development in progress

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

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

(iii) Other intangible assets

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Intangible assets and goodwill (cont'd)

(iv) Subsequent expenditure

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

(v) Amortisation

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

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

- Customer relationship 7 to 13 years
- Software 8 years

Intangible assets in progress are not amortised.

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

3.6 Investment properties

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

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

Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

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

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

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

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Leases (cont'd)

(i) As a lessee (cont'd)

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

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

Short-term leases and leases of low-value assets

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

(ii) As a lessor

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Inventories

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

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

3.9 Impairment

Non-derivative financial assets and contract assets

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

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

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

Simplified approach

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

General approach

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment (cont'd)

General approach (cont'd)

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

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

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECLs in the statements of financial position

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

Write-off

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment (cont'd)

Non-financial assets

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

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

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

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

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

3.10 Employee benefits

Defined contribution plans

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Employee benefits (cont'd)

Short-term employee benefits

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

Share-based payment transactions

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

Other long-term employee benefits

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

3.11 Provisions

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

3.12 Revenue

Rendering of services

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Revenue (cont'd)

Rendering of services (cont'd)

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

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

Rental income

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

3.13 Government grants

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

3.14 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income; and
- interest expense.

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

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Tax

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

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

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

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

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

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Earnings per share

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

3.17 Segment reporting

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

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

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

3.18 New standards and interpretations not yet adopted

A number of new standards, amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

Effective for annual periods beginning on or after 1 January 2022

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

Effective for annual periods beginning on or after 1 January 2023

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

Effective date is deferred indefinitely

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

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Year ended 31 December 2021

4 PROPERTY, PLANT AND EQUIPMENT

	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
Group													
Cost													
At 1 January 2020	18,500	217,775	286,989	42,976	68,756	8,482	2,505	733	18,383	18,743	4,378	131,540	819,760
Reclassification from investment properties (note 6)	–	6,564	5,436	–	–	–	–	–	–	–	–	–	12,000
Adjustments	–	–	(646)	–	–	–	–	–	–	–	–	–	(646)
Additions	–	–	–	10,172	5,818	354	78	17	1,078	7,976	322	38,945	64,760
Derecognition of right-of-use assets	–	–	–	(4,058)	–	–	–	–	–	–	–	–	(4,058)
Disposals	–	–	–	–	(522)	–	(1)	–	(3)	–	–	–	(526)
Lease modifications	–	–	–	496	–	–	–	–	–	–	–	–	496
Write-off	–	–	–	(382)	(10,026)	(2,294)	(332)	–	(3,642)	(7,945)	(1,146)	(2)	(25,769)
Transfer/ Reclassification	–	–	11,510	–	–	–	–	–	3	317	–	(11,830)	–
Effect of movements in exchange rates	–	459	5,456	607	633	12	5	–	90	316	–	6,189	13,767
At 31 December 2020	18,500	224,798	308,745	49,811	64,659	6,554	2,255	750	15,909	19,407	3,554	164,842	879,784

Notes To The Financial Statements

Year ended 31 December 2021

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	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
Group													
Cost													
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

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	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
Group													
Accumulated depreciation													
At 1 January 2020	–	21,252	26,062	8,165	37,952	4,852	1,745	359	15,488	15,742	2,558	–	134,175
Depreciation charge for the year	–	3,360	6,543	12,329	6,705	691	310	73	1,488	1,664	324	–	33,487
Derecognition of right-of-use assets	–	–	–	(3,381)	–	–	–	–	–	–	–	–	(3,381)
Disposals	–	–	–	–	(507)	–	(1)	–	(3)	–	–	–	(511)
Write-off	–	–	–	(382)	(9,306)	(1,691)	(324)	–	(3,617)	(7,935)	(967)	–	(24,222)
Effect of movements in exchange rates	–	5	64	(27)	123	3	3	(1)	38	123	–	–	331
At 31 December 2020	–	24,617	32,669	16,704	34,967	3,855	1,733	431	13,394	9,594	1,915	–	139,879

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Year ended 31 December 2021

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	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
Group													
Accumulated depreciation													
At 1 January 2021	–	24,617	32,669	16,704	34,967	3,855	1,733	431	13,394	9,594	1,915	–	139,879
Depreciation charge for the year	–	3,694	7,619	12,005	7,972	596	262	76	2,184	2,012	305	–	36,725
Derecognition of right-of-use assets	–	–	–	(2,200)	–	–	–	–	–	–	–	–	(2,200)
Disposals	–	–	–	–	(123)	–	–	–	(944)	(3,114)	–	–	(4,181)
Write-off	–	–	–	(1,611)	(2,796)	(1,113)	(642)	(114)	(1,345)	(1,010)	(143)	–	(8,774)
Effect of movements in exchange rates	–	19	250	324	255	12	(12)	3	134	131	–	–	1,116
At 31 December 2021	–	28,330	40,538	25,222	40,275	3,350	1,341	396	13,423	7,613	2,077	–	162,565
Carrying amounts													
At 1 January 2020	18,500	196,523	260,927	34,811	30,804	3,630	760	374	2,895	3,001	1,820	131,540	685,585
At 31 December 2020	18,500	200,181	276,076	33,107	29,692	2,699	522	319	2,515	9,813	1,639	164,842	739,905
At 31 December 2021	18,500	250,224	443,737	23,195	42,855	3,382	359	290	3,609	9,139	1,931	141	797,362

Reclassification from investment properties

In 2021, investment properties with carrying value of $21,014,000 (see note 6) was transferred to property, plant and equipment as a portion of commercial spaces were converted into premises occupied by owner.

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Right-of-use assets (Properties)	Medical equipment	Furniture and fittings	Office equipment	Motor vehicles	Computers	Renovations	Fixed asset work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Company									
Cost									
At 1 January 2020	4,784	4,548	2,374	1,704	700	7,035	6,642	91	27,878
Additions	4	165	21	19	–	235	109	243	796
Derecognition of right-of-use assets	(2,203)	–	–	–	–	–	–	–	(2,203)
Lease Modification	(150)	–	–	–	–	–	–	–	(150)
Disposal	–	(19)	–	–	–	(6)	–	(3)	(28)
Write-off	–	(568)	(335)	(147)	–	(1,712)	(5,127)	(2)	(7,891)
Transfer/Reclassification	–	–	–	–	–	–	316	(316)	–
At 31 December 2020	2,435	4,126	2,060	1,576	700	5,552	1,940	13	18,402
At 1 January 2021	2,435	4,126	2,060	1,576	700	5,552	1,940	13	18,402
Additions	–	282	33	62	–	689	127	664	1,857
Derecognition of right-of-use assets	(393)	–	–	–	–	–	–	–	(393)
Disposal	–	–	–	(7)	–	(4)	–	–	(11)
Write-off	–	(642)	(1,020)	(666)	(114)	(931)	(729)	–	(4,102)
Transfer/Reclassification	–	19	11	47	–	143	405	(625)	–
At 31 December 2021	2,042	3,785	1,084	1,012	586	5,449	1,743	52	15,753

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Year ended 31 December 2021

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Right-of-use assets (Properties)	Medical equipment	Furniture and fittings	Office equipment	Motor vehicles	Computers	Renovations	Fixed asset work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Accumulated depreciation									
At 1 January 2020	1,612	3,052	1,719	1,104	358	5,978	6,162	–	19,985
Depreciation charge for the year	1,146	428	155	242	59	442	387	–	2,859
Derecognition of right-of-use assets	(1,525)	–	–	–	–	–	–	–	(1,525)
Disposal	–	(1)	–	–	–	(6)	–	–	(7)
Write-off	–	(507)	(259)	(140)	–	(1,689)	(5,122)	–	(7,717)
At 31 December 2020	1,233	2,972	1,615	1,206	417	4,725	1,427	–	13,595
At 1 January 2021	1,233	2,972	1,615	1,206	417	4,725	1,427	–	13,595
Depreciation charge for the year	567	404	118	196	59	423	258	–	2,025
Derecognition of right-of-use assets	(168)	–	–	–	–	–	–	–	(168)
Disposal	–	–	–	(1)	–	(1)	–	–	(2)
Write-off	–	(627)	(986)	(552)	(114)	(930)	(276)	–	(3,485)
At 31 December 2021	1,632	2,749	747	849	362	4,217	1,409	–	11,965
Carrying amounts									
At 1 January 2020	3,172	1,496	655	600	342	1,057	480	91	7,893
At 31 December 2020	1,202	1,154	445	370	283	827	513	13	4,807
At 31 December 2021	410	1,036	337	163	224	1,232	334	52	3,788

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Details of freehold land, leasehold land and properties of the Group are as follows:

Description/Location	Gross Floor Area (sq m)	Tenure	Group Carrying amount 2021 $'000	Group Carrying amount 2020 $'000
HDB shop with living quarters located at Blk 283, Bishan St 22, #01-177, Singapore 570283, held for use as a primary healthcare clinic	135.0	99 years commencing from 01/02/1991	634	659
A factory unit, located at 196 Pandan Loop, #06-05 Pantech Industrial Complex, Singapore 128384, held for use as a store	112.0	99 years commencing from 27/01/1984	182	189
HDB shop with living quarters located at Blk 722 Ang Mo Kio Ave 8, #01-2825, Singapore 560722, held for use as a primary healthcare clinic	152.0	86 years commencing from 01/10/1993	880	916
HDB shop with living quarters located at Blk 131 Jurong East St 13, #01-267, Singapore 600131, held for use as a primary healthcare clinic	250.0	91 years commencing from 01/04/1993	1,142	1,185
HDB shop with living quarters located at Blk 177 Toa Payoh Central, #01-170, Singapore 310177, held for use as a primary healthcare clinic	115.0	78 years commencing from 01/10/1992	716	742
HDB shop with living quarters located at Blk 203 Bedok North St 1, #01-467, Singapore 460203, held for use as a primary healthcare clinic	153.0	84 years commencing from 01/07/1992	576	596
HDB shop with living quarters located at Blk 446 Clementi Avenue 3, #01-189, Singapore 120446, held for use as a primary healthcare clinic	182.0	84 years commencing from 01/01/1995	4,789	4,873
A hospital building, located at 585 North Bridge Road, Singapore 188770, held for use as a hospital and medical centre	28,887.1*	99 years commencing from 01/03/1979	174,858	179,079
A building, located at 585 North Bridge Road, Singapore 188770, held for use as a medical centre	20,385.3^	99 years commencing from 01/03/1979	146,040	127,555
A building, located at 25 Tannery Lane, Singapore 347786, held for use as support office and storage centre	3,295.5	Freehold	19,726	19,890
A shopping mall, located at 118 Holland Avenue, Singapore 278997, held for use as a medical centre	6,011.4#	99 years commencing from 18/01/1985	16,799	17,109
A hospital building, located at No. 2, Huashan Middle Road, Yubei District, Chongqing, China	105,690.6	40 years commencing from 30/11/2017	146,197**	141,964**
A hospital building, located at No. 200 Yuanzhao Road, Pudong District, Shanghai, China	72,233.3	50 years commencing from 31/10/2015	199,922***	–
			712,461	494,757

* Includes commercial space of 826.2 sq m (2020: 826.2 sq m) classified as investment properties.
^ Includes commercial space of 5,322.0 sq m (2020: 6,310.1 sq m) classified as investment properties.
# Includes commercial space of 4,981.1 sq m (2020: 4,981.1 sq m) classified as investment properties.
** Includes cost of $34,042,000 (2020: $32,482,000) which the underlying assets had not been put into use.
*** Includes cost of $125,144,000 which the underlying assets had not been put into use.

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Major fixed asset work in progress

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

Location	Description	Intended use	Expected date of completion	Site area/ gross floor area (sq m)	Group effective interest (%)
Central business zone of Qiantan, Pudong New District, Shanghai, China	Hospital building	Commercial	2021	12,456/72,233.3	70

Source of estimation uncertainty

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

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

5 INTANGIBLE ASSETS AND GOODWILL

	Goodwill	Customer relationship	Membership rights	Software under development	Software	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Cost						
At 1 January 2020	24,387	4,328	164	1,255	11,411	41,545
Additions	–	–	–	411	776	1,187
Transfer	–	–	–	(445)	445	–
Effects of movement in exchange rate	934	130	–	–	62	1,126
At 31 December 2020	25,321	4,458	164	1,221	12,694	43,858
Additions	–	–	–	–	2,973	2,973
Transfer	–	–	–	(1,057)	1,057	–
Effects of movement in exchange rate	1,118	214	–	–	133	1,465
At 31 December 2021	26,439	4,672	164	164	16,857	48,296
Accumulated amortisation and impairment losses						
At 1 January 2020	552	1,430	–	–	2,109	4,091
Amortisation	–	363	–	–	1,645	2,008
Impairment loss	3,500	–	76	–	–	3,576
Effects of movement in exchange rate	36	–	–	–	3	39
At 31 December 2020	4,088	1,793	76	–	3,757	9,714
Amortisation	–	376	–	–	2,225	2,601
Impairment loss	3,780	–	–	–	–	3,780
Effects of movement in exchange rate	249	93	–	–	29	371
At 31 December 2021	8,117	2,262	76	–	6,011	16,466
Carrying amounts						
At 1 January 2020	23,835	2,898	164	1,255	9,302	37,454
At 31 December 2020	21,233	2,665	88	1,221	8,937	34,144
At 31 December 2021	18,322	2,410	88	164	10,846	31,830

5 INTANGIBLE ASSETS AND GOODWILL (CONT'D)

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

Impairment testing for CGUs containing goodwill

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

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

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

5 INTANGIBLE ASSETS AND GOODWILL (CONT'D)

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

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

The discount rate was a pre-tax measure based on the rate of 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal GDP rates for the countries in which the CGUs operate.

Revenue growth was projected based on expectation of future outcomes taking into account the average growth levels experienced over the past five years and the estimated growth for the next five years.

Management has identified that a reasonably possible change in budgeted first year revenue growth could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which this key assumption would need to change (while holding all other variables constant) for the respective CGUs for the estimated recoverable amount to be equal to the carrying amount.

	Decrease in budgeted first year revenue growth rate	
	2021	2020
	%	%
China clinics	–	–
Cambodia clinic	1.69	0.94

5 INTANGIBLE ASSETS AND GOODWILL (CONT'D)

China Clinics

Impairment loss was recognised in relation to the goodwill in the China clinics cash-generating unit (CGU) as follows:

	Group	
	2021	2020
	$'000	$'000
Goodwill	3,780	3,500

The recoverable amount of the China clinic CGU was based on its value in use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGU. In 2021, the operations of the China clinics were affected by the continual COVID-19 coronavirus pandemic and the measures. Management has taken into consideration the uncertainty of the pandemic situation in China going forward in the estimates of future cash flows. The carrying amount of the CGU was determined to be higher than its recoverable amount by $3,780,000 and an impairment loss of $3,780,000 was recognised. The impairment loss was fully allocated to goodwill and included in 'other operating expenses'.

Following the impairment loss recognised in the Group's China clinic CGU, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

Source of estimation uncertainty

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

6 INVESTMENT PROPERTIES

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

(a) Investment properties relate to the shop units within Raffles Hospital Building and Raffles Specialist Centre, units of commercial space within Samsung Hub and Raffles Holland V that are leased to external parties. Each of the leases contains an initial non-cancellable period of 1 to 5 years. This is subject to the terms and conditions of the lease agreements entered into and subsequent renewals are negotiated with the respective lessee. These properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

(b) In 2021, a portion of commercial spaces were converted into premises occupied by owner. Accordingly, a portion of the investment properties amounting to $21,014,000 (2020: $12,000,000) was transferred to property, plant and equipment.

Investment properties:

Description/Location	Tenure	Gross Floor Area (sq m)
Units within Raffles Hospital, located at 585 North Bridge Road, Singapore 188770	99 years commencing from 01/03/1979	826.2 (2020: 826.2)
Units within Raffles Specialist Centre, located at 585 North Bridge Road, Singapore 188770	99 years commencing from 01/03/1979	5,322.0 (2020: 6,310.1)
Units within Samsung Hub, located at 3 Church Street Singapore 049483	999 years commencing from 25/01/1827	491.0 (2020: 491.0)
Units within Raffles Holland V, located at 118 Holland Avenue, Singapore 278997	99 years commencing from 18/01/1985	4,981.1 (2020: 4,981.1)

6 INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value

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

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

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

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

These estimated market values may differ from the prices at which the Group's investment properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of factors not within the directors' control, such as overall market conditions. As a result, actual results of operations and realisation of these investment properties could differ from the estimates set forth in these financial statements, and the difference could be significant.

(ii) Fair value hierarchy

Investment properties that are measured at fair value are stated at fair value based on valuation performed by independent professional valuers, Colliers International Consultancy & Valuation (Singapore) Pte Ltd (2020: Jones Lang LaSalle Property Consultants Pte. Ltd.), having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The fair value measurement for investment properties of $274,000,000 (2020: $294,600,000), after taking into consideration the reclassification of certain area for own use, has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 2.4).

6 INVESTMENT PROPERTIES (CONT'D)

(iii) Level 3 fair value

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

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

Valuation technique and significant unobservable inputs

The following table shows the Group's valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation and discounted cash flow approach	• Capitalisation rates 3.5% to 5.50% (2020: 3.5% to 6.25%) • Discount rates 7.00% (2020: 7.25%) • Terminal yield rates 4.25% (2020: 4.25%)	The estimated fair value varies inversely against the capitalisation rates and discount rates.

7 DEFERRED TAX ASSETS AND LIABILITIES

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

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

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

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

7 DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

Deferred tax assets and liabilities are attributable to the following:

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

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

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

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

8 TRADE AND OTHER RECEIVABLES

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

The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand. There is no impairment loss arising from these outstanding balances as ECL is not material.

The Group and the Company's exposure to credit and currency risks, and impairment losses related to trade and other receivables are disclosed in note 17.

9 CASH AND CASH EQUIVALENTS

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

* Includes interest-bearing cash deposit

The weighted average effective interest rates per annum relating to cash and cash equivalents, at the reporting date for the Group and Company are 0.39% (2020: 0.37%) and 0.33% (2020: 0.28%) respectively. Interest rates re-price at intervals of one week to three months (2020: one week to three months).

10 CAPITAL AND RESERVES

Share capital

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

Ordinary shares

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

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

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

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

* After adjustment for Share Split.

Unissued ordinary shares of the Company under options granted to eligible directors and employees under the Company's Employee Share Option Scheme are disclosed in note 11. The Company issued 98,000 new ordinary shares pursuant to the RMG PSP 2020 during the financial year.

10 CAPITAL AND RESERVES (CONT'D)

Reserves

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

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

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Equity compensation reserve

The equity compensation reserve comprises the cumulative value of employee services received for shares under the share plans and scheme of the Company.

Revaluation reserve

The revaluation reserve relates to difference between the carrying amount of the property, plant and equipment and its fair value at the date of reclassification to investment properties.

Reserve for own shares

The Company acquired 2,436,900 (2020: Nil) of its own shares during the year. The treasury shares held by the Company as at 31 December 2021 represent 0.13% (2020: 0.02%) of the total number of issued shares (excluding treasury shares).

Other reserve

Other reserve relates to present value of the exercise price of written put option arising from the call and put options entered with the non-controlling shareholders (see note 15), the difference of the net recognised amount of the identifiable assets acquired and liabilities assumed over fair value of the consideration on the acquisition of the non-controlling interests and surplus/deficit arising on the reissue of treasury shares.

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.

11 SHARE BASED PAYMENT (CONT'D)

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

Information regarding the scheme is as follows:

(i) Subject to any adjustment pursuant to any variation of the share capital of the Company, the subscription price for each share under the RMG ESOS 2020 shall be:

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

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

(c) the prior approval of the shareholders of the Company in general meeting shall have been obtained for the making of offers and grants of options at a discount not exceeding the maximum discount in a separate resolution (for the avoidance of doubt, such prior approval shall be required to be obtained only once and, once obtained, shall, unless revoked, authorise the making of offers and grants of options under the RMG ESOS 2020 at such discount for the duration of the RMG ESOS 2020); or

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

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

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

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

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

11 SHARE BASED PAYMENT (CONT'D)

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

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

Options were exercised on a regular basis throughout the year. The weighted average share price during the year was $1.22 (2020: $0.88) per share.

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

			Options outstanding	
Date of grant of options	**Expiry date**	**Exercise price***	**2021**	**2020**
		$	**'000**	**'000**
01/04/2011	31/03/2021	0.73	–	2,211
02/04/2012	01/04/2022	0.78	3,197	4,948
01/04/2013	31/03/2023	1.09	6,044	6,941
01/04/2014	31/03/2024	1.07	6,931	8,106
01/04/2015	31/03/2025	1.31	12,401	12,611
01/04/2016	31/03/2021	1.50	–	912
01/04/2016	31/03/2026	1.50	9,420	9,435
03/04/2017	02/04/2022	1.42	500	560
03/04/2017	02/04/2027	1.42	4,367	4,338
03/09/2018	02/09/2023	1.09	725	725
03/09/2018	02/09/2028	1.09	6,660	7,013
01/07/2019	30/06/2024	1.04	825	825
01/07/2019	30/06/2029	1.04	8,313	8,698
01/07/2019	30/06/2024	1.08	100	100
05/10/2020	04/10/2025	0.81	1,900	1,950
05/10/2020	04/10/2030	0.81	6,907	7,032
01/09/2021	31/08/2026	1.40	1,610	–
01/09/2021	31/08/2031	1.40	5,245	–
			75,145	76,405

* After adjustment for Share Split.

11 SHARE BASED PAYMENT (CONT'D)

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

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

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

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

11 SHARE BASED PAYMENT (CONT'D)

Raffles Medical Group (2020) Performance Share Plan

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

Information regarding the share plan is as follows:

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

(a) in relation to performance related awards, shares which are subject to that award shall only be released to the participants at the end of the relevant vesting period or on the relevant vesting date, subject to the Committee having determined that the performance conditions have been satisfied at the end of the relevant performance period;

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

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

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

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

The fair value of services received in return for the share awards are measured by reference to the fair value of share granted on the date of grant of award.

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

12 LOANS AND BORROWINGS

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

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

Terms and debt repayment schedule

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

	Currency	Nominal interest rate	Year of maturity	2021		2020	
				Face value	Carrying amount	Face value	Carrying amount
		%		$'000	$'000	$'000	$'000
Group							
Unsecured bank loan	S$	0.65% + SWAP/SOR	2022-2023	87,914	87,914	87,914	87,810
Unsecured bank loan	CNY	LPR + 1.00%	2022	77,751	77,751	74,666	74,666
Unsecured bank loan	HK$	0.71	2022	6,851	6,851	–	–
Unsecured bank loan	JPY	0.40	2022	1,695	1,695	–	–
Unsecured bank loan	HK$	1.00	2021	–	–	6,734	6,734
Unsecured bank loan	JPY	0.47	2021	–	–	1,850	1,850
Total interest-bearing liabilities				174,211	174,211	171,164	171,060
Company							
Unsecured bank loan	S$	0.65% + SWAP/SOR	2022-2023	47,914	47,914	47,914	47,849
Unsecured bank loan	HK$	0.71	2022	6,851	6,851	–	–
Unsecured bank loan	JPY	0.40	2022	1,695	1,695	–	–
Unsecured bank loan	HK$	1.00	2021	–	–	6,734	6,734
Unsecured bank loan	JPY	0.47	2021	–	–	1,850	1,850
Total interest-bearing liabilities				56,460	56,460	56,498	56,433

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 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

12 LOANS AND BORROWINGS (CONT'D)

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

	Liabilities			
	Loans and borrowings	Loan from subsidiary's non-controlling interest	Lease liabilities	Total
	$'000	$'000	$'000	$'000
Group				
Balance as at 1 January 2020	165,101	14,511	35,275	214,887
Changes from financing cash flows				
Proceeds from bank loans	57,959	–	–	57,959
Proceeds from loan due to subsidiary's non-controlling interest	–	12,546	–	12,546
Repayment of bank loans	(55,392)	–	–	(55,392)
Payment of lease liabilities	–	–	(11,558)	(11,558)
Interest paid	(4,575)	(736)	–	(5,311)
Lease interest paid	–	–	(714)	(714)
Total changes from financing cash flows	(2,008)	11,810	(12,272)	(2,470)
The effect of changes in foreign exchange rates	3,049	750	161	3,960
Other changes				
New leases	–	–	10,172	10,172
Capitalised borrowing costs	554	752	–	1,306
Lease modification and derecognition	–	–	(217)	(217)
Interest expense	4,364	75	714	5,153
Total other changes	4,918	827	10,669	16,414
Balance as at 31 December 2020	171,060	27,898	33,833	232,791

13 TRADE AND OTHER PAYABLES

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

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

The loans from subsidiary's non-controlling interest included loan of $2,178,000 (2020: $2,630,000) which is unsecured, bears interest at 3% (2020: 3%) per annum and is repayable on demand, and loan of $33,971,000 (2020: $25,268,000) is unsecured, bears interest at 4.75% (2020: 4.75%) per annum and is repayable within three years at the discretion of the Group.

Deferred income included an amount of Nil (2020: $3,996,000) relating to government grants – JSS that was received or became receivable during the year. The Group had received JSS that meant to provide wage support to employees to help them retain their local employees. The amount of grant recognised in profit or loss in 2020 and 2021 are presented in 'other operating income' (see note 19).

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

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

14 LEASE LIABILITIES

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

Leases as lessee

The Group leases clinics, that typically run for a period of 2 to 10 years, with an option to renew the lease after that date. Lease payments are renegotiated every 2 to 10 years to reflect market rentals.

The Group leases equipment with contract terms of 1 to 4 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see note 4).

Amounts recognised in profit or loss

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

14 LEASE LIABILITIES (CONT'D)

Amounts recognised in consolidated statement of cash flows

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

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The Group expects to make use of all extension options in the lease contracts, which typically vary between 1 and 3 years.

Leases as lessor

The Group leases out its investment property consisting of its owned commercial properties (see note 6). All leases are classified as operating leases from a lessor perspective. Each of the leases contains an initial non-cancellable period of 1 - 5 years, with fixed annual rents. Subsequent renewals are negotiated with the lessee and historically the average renewal period ranges from 1 - 5 years.

The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income from investment property recognised by the Group during 2021 was $7,576,000 (2020: $6,989,000).

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

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

15 OTHER FINANCIAL LIABILITIES

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

The Group has a written call and put options with the non-controlling shareholders of certain subsidiaries. These call options provide the Group the right to require the non-controlling shareholders to sell the shares owned by them, and put options provide the non-controlling shareholders the right to require the Group to acquire shares owned by them.

16 INSURANCE CONTRACT PROVISIONS

Analysis of movements in insurance contract provisions

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

The Group writes both group and individual health insurance contracts, as well as group term life contracts. Insurance contract provisions represent the Group's liabilities to the insured under insurance contracts whether reported or not reported as at reporting date. Historical data collated by the management were used for determining the expected ultimate claims liability. This data was also supplemented by externally available information on industry statistics and trends.

The Group reserving methodology for determining insurance contract provision is intended to result in the most likely or expected outcome for the ultimate loss settlement by analysing the historical claim payments to identify possible trends in order to project future claim payments. The Principal method used is the Chain Ladder method. This approach is supplemented with the Bornhuetter-Ferguson and Expected Loss Ratio methods where appropriate. An additional loading is applied, otherwise known as a provision for adverse deviation, having regard to Singapore Insurance Legislation administered by the Monetary Authority of Singapore (MAS) and uncertainty introduced by limitations of available data. This is to ensure the adequacy of the provisions required to meet the obligations of the Group's future liabilities. An external actuary performs regularly a valuation of the policy liabilities in accordance with the MAS's regulations. The adequacy of the estimated policy liabilities are verified by the actuary.

Source of estimation uncertainty

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

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.

17 FINANCIAL INSTRUMENTS (CONT'D)

Trade and other receivables

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

The Group's primary exposure to credit risk arises through its cash and cash equivalents, trade and other receivables. As at 31 December 2021, 18.1 % (2020: 8.7%) of the total trade receivables was due from the Group's largest customer. The Group does not require collateral in respect of trade receivables. The Group does not have trade receivables which no loss allowance is recognised because of collateral.

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

Trade receivables

Group and Company

The Group and Company applied the simplified approach in SFRS(I) 9 to measure the loss allowance of trade receivables from individual and corporate customers at lifetime ECL based on allowance matrix, which comprise a very large number of small balances. As the Group and Company's past default experience does not show significantly different loss patterns for different customer segments, the allowance matrix is not further distinguished between the different customer bases.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

Group	Weighted average loss rate %	Gross carrying amount $'000	Impairment loss allowance $'000	Credit impaired
31 December 2021				
No credit terms	–	11,418	–	No
Not past due	0.31	91,085	286	No
Past due 0 – 30 days	1.55	16,495	256	No
Past due 31 – 180 days	5.38	20,786	1,119	No
Past due 181 – 365 days	8.11	2,342	190	Yes
More than one year	91.39	2,695	2,463	Yes
		144,821	4,314	
31 December 2020				
No credit terms	–	10,944	–	No
Not past due	0.62	36,677	226	No
Past due 0 – 30 days	2.55	25,555	652	No
Past due 31 – 180 days	9.23	15,462	1,427	No
Past due 181 – 365 days	16.76	3,007	504	Yes
More than one year	69.20	3,960	2,740	Yes
		95,605	5,549	

17 FINANCIAL INSTRUMENTS (CONT'D)

Group and Company (cont'd)

Company	Weighted average loss rate %	Gross carrying amount $'000	Impairment loss allowance $'000	Credit impaired
31 December 2021				
Not past due	0.35	60,436	210	No
Past due 0 – 30 days	1.35	11,355	153	No
Past due 31 – 180 days	5.53	12,333	682	No
Past due 181 – 365 days	26.67	30	8	Yes
More than one year	62.67	525	329	Yes
		84,679	1,382	
31 December 2020				
Not past due	0.70	15,943	111	No
Past due 0 – 30 days	2.44	18,992	463	No
Past due 31 – 180 days	9.60	5,659	543	No
Past due 181 – 365 days	42.90	331	142	Yes
More than one year	62.22	1,252	779	Yes
		42,177	2,038	

The ECLs on trade receivables are estimated using an allowance matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. Management believes that there is no indication that any macro-economic factor will have a significant direct and immediate impact on the credit quality of its receivables. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the allowance matrix.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

17 FINANCIAL INSTRUMENTS (CONT'D)

Movements in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group	Company
	Lifetime ECL	Lifetime ECL
	$'000	$'000
At 1 January 2020	6,060	2,557
Impairment loss recognised	1,916	138
Impairment loss utilised	(2,427)	(657)
At 31 December 2020	5,549	2,038
At 1 January 2021	5,549	2,038
Impairment loss recognised	1,495	258
Impairment loss utilised	(2,762)	(914)
Exchange differences	32	–
At 31 December 2021	4,314	1,382

Amounts due from subsidiaries (Company) (note 8 and note 26)

Impairment on the amounts due from subsidiaries has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant as none of the amounts due from subsidiaries at the end of the reporting period is past due and there has been no significant increase in the risk of default on these balances since initial recognition.

Cash and cash equivalents (Group and Company)

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The cash and cash equivalents are held with bank and financial institution counterparties which are rated BB- to AA-, based on rating agency Standard & Poor's. The amount of the allowance on cash and cash equivalents was negligible.

17 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk

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

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

The Group has adequate undrawn unsecured credit facilities to meet its future operating activities and to finance and support the Group's contractual commitments.

Exposure to liquidity risk

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

	Carrying amount	Contractual cash flows	Within 1 year	Between 1 and 5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000
Group					
31 December 2021					
Non-derivative financial liabilities					
Unsecured bank loans	174,211	(187,115)	(108,533)	(78,582)	–
Other financial liabilities	2,761	(2,761)	(2,761)	–	–
Trade and other payables*	298,808	(300,487)	(250,171)	(50,316)	–
Lease liabilities	23,921	(24,403)	(10,404)	(13,381)	(618)
	499,701	(514,766)	(371,869)	(142,279)	(618)
31 December 2020					
Non-derivative financial liabilities					
Unsecured bank loans	171,060	(185,015)	(33,474)	(151,541)	–
Other financial liabilities	2,705	(2,705)	(2,705)	–	–
Trade and other payables*	222,483	(223,762)	(187,852)	(35,910)	–
Lease liabilities	33,833	(35,008)	(12,093)	(22,160)	(755)
	430,081	(446,490)	(236,124)	(209,611)	(755)

* Excludes deferred income and other long term employee benefits.

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

* Excludes deferred income and other long term employee benefits

Market risk

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

Currency risk

The Group is exposed to currency risk on borrowings and inter-company balances that are denominated in currencies other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are the Euro (EUR), Hong Kong dollar (HK$), US dollar (US$), Japanese Yen (JPY), Singapore dollar (S$) and Chinese Yuan (CNY).

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

17 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

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

	HK$	JPY
	$'000	$'000
Company		
31 December 2021		
Amount owing from subsidiaries (net)	–	1,695
Loans and borrowings	(6,851)	(1,695)
Net exposure	(6,851)	–
31 December 2020		
Amount owing from subsidiaries (net)	–	1,851
Loans and borrowings	(6,734)	(1,851)
Net exposure	(6,734)	–

17 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Sensitivity analysis

A 10% strengthening of the following major currencies against the functional currency of each of the Group's entities would increase/(decrease) profit or loss by the amounts shown below. Similarly, a 10% weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

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

Interest rate risk

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

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

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

17 FINANCIAL INSTRUMENTS (CONT'D)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group		Company	
	Profit or loss		Profit or loss	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	$'000	$'000	$'000	$'000
31 December 2021				
Variable rate instruments	(1,657)	1,657	(479)	479
31 December 2020				
Variable rate instruments	(1,625)	1,625	(478)	478

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'interest rate benchmark reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

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

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

Non-derivative financial liabilities

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

17 FINANCIAL INSTRUMENTS (CONT'D)

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

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

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

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

17 FINANCIAL INSTRUMENTS (CONT'D)

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity excluding NCI. The Board also monitors the levels of dividends to ordinary shareholders. In addition, the Board and senior management also monitors the Group's capital adequacy and insurance fund solvency levels against regulatory requirements.

To mitigate exposure to large risks underwritten that can impact the financial strength of the Group, it has put in place robust underwriting guidelines and reinsurance arrangements to control its insurance risk exposure. The Group further stress-tests its financial position and capital adequacy under various stress scenarios to assess its financial stability.

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

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

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

There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements, except for Raffles Health Insurance Pte Ltd which is required to comply with the regulatory capital requirement prescribed under the Singapore Insurance Act. Under the Risk-based Capital Framework regulation set by the Monetary Authority of Singapore (MAS), insurance companies are required to satisfy minimum prescribed capital adequacy ratio (CAR) and fund solvency ratio (FSR).

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Year ended 31 December 2021

17 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values

Fair values versus carrying amounts

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

		Carrying amount			Fair value			
	Note	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
31 December 2021								
Financial assets not measured at fair value								
Trade and other receivables #	8	159,287	–	159,287				
Cash and cash equivalents	9	264,988	–	264,988				
		424,275	–	424,275				
Financial liabilities not measured at fair value								
Loans and borrowings	12	–	(174,211)	(174,211)	–	(174,211)	–	(174,211)
Trade and other payables*	13	–	(298,808)	(298,808)				
Other financial liabilities	15	–	(2,761)	(2,761)	–	–	(2,761)	(2,761)
		–	(475,780)	(475,780)				

Excludes prepayments

* Excludes deferred income and other long term employee benefits

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	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
31 December 2020								
Financial assets not measured at fair value								
Trade and other receivables #	8	114,056	–	114,056				
Cash and cash equivalents	9	203,114	–	203,114				
		317,170	–	317,170				
Financial liabilities not measured at fair value								
Loans and borrowings	12	–	(171,060)	(171,060)	–	(171,164)	–	(171,164)
Trade and other payables*	13	–	(222,483)	(222,483)				
Other financial liabilities	15	–	(2,705)	(2,705)	–	–	(2,705)	(2,705)
		–	(396,248)	(396,248)				

Excludes prepayments
* Excludes deferred income

Notes To The Financial Statements

Year ended 31 December 2021

17 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

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

Excludes prepayments

* Excludes deferred income and other long term employee benefits

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	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
31 December 2020								
Financial assets not measured at fair value								
Trade and other receivables #	8	182,776	–	182,776				
Cash and cash equivalents	9	99,915	–	99,915				
Amounts due from subsidiaries	26	566,105	–	566,105	–	–	566,105	566,105
		848,796	–	848,796				
Financial liabilities not measured at fair value								
Loans and borrowings	12	–	(56,433)	(56,433)	–	(56,498)	–	(56,498)
Trade and other payables*	13	–	(91,485)	(91,485)				
		–	(147,918)	(147,918)				

Excludes prepayments

* Excludes deferred income

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	*Discounted cash flow: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.*
Non-current loans and borrowings	*The carrying amounts of floating interest bearing loans, which are repriced within 1 month from the reporting date, reflect the corresponding fair values.*

Other financial assets and liabilities

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

Transfer between fair values hierarchies

There was no transfer between the fair value hierarchies during the financial year.

Level 3 fair values

The following table shows a reconciliation from the opening balances to the ending balances for level 3 fair values:

Group	Put options $'000
At 1 January 2020	2,754
Changes in exercise price of written put options	(49)
At 31 December 2020	2,705
Changes in exercise price of written put options	56
At 31 December 2021	2,761

18 REVENUE

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

18 REVENUE (CONT'D)

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Healthcare services

Nature of goods or services	The healthcare services segment of the Group principally generates revenue from operations of medical clinics and other general medical services, provision of health insurance, trading in pharmaceutical and nutraceutical products and diagnostic equipment, and provision of management and consultancy services.
When revenue is recognised	Where contracts relate to provision of medical services, management and consulting services, revenue is recognised in the accounting period in which the services are rendered. Where contracts relate to provision of health insurance, revenue is recognised over the premium period. Where contracts relate to trading in pharmaceutical and nutraceutical products and diagnostic equipment, revenue is recognised when goods are delivered to the customers and all criteria for acceptance have been satisfied.
Significant payment terms	Invoices are issued upon completion of services or/and delivery of goods. Payment terms for respective revenue are as follows: - Provision of medical services, management and consulting services: payment is due upon completion of service - Provision of health insurance: payment is due when invoices are issued - Trading in pharmaceutical and nutraceutical products and diagnostic equipment: customers are usually given a credit term ranges from 30 to 90 days from invoice date

Hospital services

Nature of goods or services	The hospital services segment of the Group principally generates revenue from provision of specialised medical services, inpatient services and business of medical laboratory and imaging centre. Services may be sold separately or in bundled packages. For the bundled contract, the Group accounts for individual services separately if they are distinct, i.e. if a service is separately identifiable from other items in the bundled package and if a patient can benefit from it.
When revenue is recognised	Revenue is recognised in the accounting period in which the services are rendered. The consideration for bundled package is allocated to the separate services based on their relative stand-alone selling prices. The stand-alone selling prices are determined based on individual prices that the Group would have charged if the services were contracted for separately.
Significant payment terms	Invoices are issued upon discharge of patients from the hospital. Payment is due when invoice is issued. For risk management, a portion of the contract consideration is received upfront in the form of deposit for inpatients, and the remaining consideration is received from customers upon issuance of invoices. As such, no financing component has been recognised as the payment terms are for reasons other than financing.

19 OTHER OPERATING INCOME

The following items have been included in other operating income:

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

Government grants income relates mainly to COVID-19 relief measures and support which comprise mainly of Jobs Support Scheme grants and Property tax rebates. For government grant that was passed down to external parties, the Group recognised grant expense in profit or loss during the year and presented in 'other operating expenses'.

Employment related supports comprise of Jobs Growth Incentive, Wage Credit Scheme, Foreign Worker Levy rebates and other employment related subsidies.

20 PROFIT FOR THE YEAR

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

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

21 TAX EXPENSE

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

22 EARNINGS PER SHARE

Basic earnings per share

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

Profit attributable to ordinary shareholders

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

Weighted-average number of ordinary shares

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

Diluted earnings per share

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

Profit attributable to ordinary shareholders (diluted)

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

22 EARNINGS PER SHARE (CONT'D)

Weighted-average number of ordinary shares

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

At 31 December 2021, 33,543,000 (2020: 69,246,000) options were excluded from the diluted weighted-average number of ordinary shares calculation as their effect would have been anti-dilutive.

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

23 OPERATING SEGMENTS

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

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

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

Inter-segment pricing is determined on mutually agreed terms.

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

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

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23 OPERATING SEGMENTS (CONT'D)

Information about reportable segments

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

23 OPERATING SEGMENTS (CONT'D)

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

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

23 OPERATING SEGMENTS (CONT'D)

Other material items

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

The Group's properties at Raffles Holland V, Raffles Hospital, Raffles Specialist Centre, Raffles Hospital Chongqing and Raffles Hospital Shanghai are owned by its subsidiaries and classified as investment properties in the subsidiaries' standalone financial statements. In accordance with the Group's accounting policies, investment property is measured at fair value and not depreciated.

For the preparation of the consolidated financial statements, a portion of these properties are reclassified from investment properties to property, plant and equipment as these properties are used in the supply of medical services by the Group. Accordingly, the carrying values of these properties are depreciated over their useful lives in the consolidated financial statements of the Group.

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

Geographical information

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

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

23 OPERATING SEGMENTS (CONT'D)

Geographical information (cont'd)

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

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

Major customer

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

24 COMMITMENTS AND CONTINGENT LIABILITIES

At 31 December 2021, commitments contracted but not provided for by the Group in the financial statements amounted to $42,227,000 (2020: $45,699,000). This mainly relates to capital expenditure for Raffles Hospital Shanghai Project and Raffles Hospital Chongqing Project.

In 2016, the Group pledged to donate $1,000,000 to the National Kidney Foundation (NKF) to set up Raffles NKF Renal Wellness Centre in Raffles Hospital. The Group donated $400,000 to NKF in 2017. The Group has in 2016, also committed to donate $4,000,000 by awarding 40 university scholarships over the next five years of which $894,000 has been disbursed as at 31 December 2021.

25 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Key management personnel compensation

In addition to their salaries, the Group also provides non-cash benefits to directors and executives.

Key management personnel participate in the Raffles Medical Group (2020) Share Option Scheme and Raffles Medical Group (2020) Performance Share Plan. 2,600,000 (2020: 3,000,000) share options and nil (2020: 132,000) share awards were received by the key management personnel of the Company during the year. The share options and share awards that were granted during the year were on the same terms and conditions as those offered to other employees of the Company as described in note 11. At the reporting date, 9,160,000 (2020: 8,357,000) of the share options and 36,000 (2020: 132,000) of share awards granted to the directors of the Company were outstanding.

Key management personnel compensation comprised:

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

26 SUBSIDIARIES

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

The amounts due from subsidiaries are unsecured, interest-free and not due within the next 12 months. There is no impairment loss arising from these outstanding balances as ECL is not material. The Company's exposure to credit risk and impairment losses is disclosed in note 17.

26 SUBSIDIARIES (CONT'D)

Details of subsidiaries are as follows:

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

26 SUBSIDIARIES (CONT'D)

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

26 SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group 2021 %	2020 %
[5] Shanghai Ruihe Clinic Co. Ltd and its subsidiary:	Operation of medical clinics and provision of medical services	China	– [13]	– [13]
[12] Shenzhen ShenAn Clinic	Operation of medical clinics and provision of medical services	China	– [8,13]	– [8,13]
[1] Raffles Health Insurance Pte Ltd	Provision of health and related insurance	Singapore	100	100
[2] PT Raffles Medika Indonesia	Provision of hospital and healthcare management and consultancy services	Indonesia	100[3]	100[3]
[1] Raffles SurgiCentre Pte Ltd and its subsidiaries:	Provision of general and specialised medical services, operation of a hospital and investment holding	Singapore	100	100
[1] International SOS (MC Holdings) Pte Ltd and its subsidiaries:	Provision of the usage of trade name, trademark and administration, training, network services and marketing services to related companies, and investment holding	Singapore	80	80
[6] Raffles Hospital Beijing Co., Ltd (fka Beijing Raffles Medical International Clinic Co., Ltd)	Provides medical services through operation of medical clinics	China	80	80
[6] Nanjing International (SOS) Clinic	Provides medical services through operation of medical clinics	China	80	80
[2] Tianjin International (SOS) Clinic	Provides medical services through operation of medical clinics	China	80	80
[9] Lifetime Health Limited Liability Company	Provides medical examination and treatment through its international polyclinics and specialty clinics	Vietnam	80	80
[10] AEA International SOS (Cambodia) Ltd	Provides medical services through operation of medical clinics	Cambodia	80	80
[4] International SOS (HK) Limited and its subsidiary:	Provision of medical emergency assistance services, the sale of medical kits and investment holding	Hong Kong	80	80
[8] Shenzhen International SOS Clinic	Provision of clinical services	China	80	80

26 SUBSIDIARIES (CONT'D)

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

1 Audited by KPMG LLP, Singapore
2 Not required to be audited
3 Shares of this subsidiary are partially held in trust by a director of the subsidiary
4 Audited by Lawrence Cheung C.P.A. Company Limited, Hong Kong
5 Audited by Shanghai Deking Certified Public Accountants Co., Ltd
6 Audited by BeiJing Zimp Certified Public Accountants Co., Ltd
7 Audited by BDO China Shu Lun Pan Certified Public Accountants LLP
8 Audited by WongGa Partners Certified Public Accountants (SZ) General Partners
9 Audited by KPMG Limited, Ho Chi Minh City
10 Audited by BDO (Cambodia) Limited
11 Not required to be audited for 2020. The subsidiary was struck off on 9 February 2021
12 Not required to be audited for 2020. Audited by WongGa Partners Certified Public Accountants (SZ) General Partners
13 The Group does not hold any ownership interests in these entities. However, based on the terms of agreements under which these entities were established, the Group receives substantially all of the returns related to their operations and net assets and has the current ability to direct these entities' activities that most significantly affect these returns. Because the owners' interests in these entities are presented as liabilities of the Group, there are no non-controlling interests for these entities.

26 SUBSIDIARIES (CONT'D)

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

Non-controlling interests in subsidiaries

The following subsidiaries have non-controlling interests (NCI) that are material to the Group.

Name	Principal places of business/ Country of incorporation	Ownership interests held by NCI 2021	2020
Raffles Japanese Clinic Pte Ltd (RJC)	Singapore	20%	20%
International SOS (MC Holdings) Pte Ltd (MCH)	Singapore	20%	20%
Shanghai Qihua Hospital Co. Ltd (SQH)	China	30%	30%

26 SUBSIDIARIES (CON'TD)

Non-controlling interests in subsidiaries (cont'd)

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

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

26 SUBSIDIARIES (CON'TD)

Non-controlling interests in subsidiaries (cont'd)

	RJC	MCH	SQH	Other individually immaterial subsidiaries	Intra-group elimination	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2020						
Revenue	14,627	27,838	–			
Profit/(Loss)	249	(7,361)	(33)			
Other comprehensive income (OCI)	–	63	2,459			
Total comprehensive income	249	(7,298)	2,426			
Attributable to NCI:						
- Profit/(Loss)	50	(1,472)	(10)	212	(1)	(1,221)
- OCI	–	12	738	(89)	–	661
Total comprehensive income	50	(1,460)	728	123	(1)	(560)
Non-current assets	949	25,092	154,692			
Current assets	18,067	14,852	10,487			
Non-current liabilities	(133)	(9,882)	(100,022)			
Current liabilities	(5,091)	(35,506)	(11,096)			
Net assets/(liabilities)	13,792	(5,444)	54,061			
Net assets attributable to NCI	2,758	(1,089)	16,218	(2,362)	(124)	15,401
Cash flows (used in)/from operating activities	(11)	7,047	(2,467)			
Cash flows from/(used in) investing activities	144	(12,411)	(33,640)			
Cash flows from financing activities	–	–	25,634			
Net increase/(decrease) in cash and cash equivalents	133	(5,364)	(10,473)			

27 DIVIDENDS

After the respective reporting dates, the directors proposed a one-tier tax exempt final dividend of 2.80 cents (2020: 2.00 cents) per share, comprising of a core dividend of 1.8 cents per share and a special dividend of 1.0 cent per share, amounting approximately to $52,312,000 (2020: $37,287,000), which is based on the number of shares outstanding as at the end of the financial year. The dividends have not been provided for and there are no income tax consequences.

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The information in this Appendix III has been reproduced from the annual report of the Group for the financial year ended 31 December 2020 and has not been specifically prepared for inclusion in this Information Memorandum.

Independent Auditors' Report

Members of the Company
Raffles Medical Group Ltd

Report on the audit of the financial statements

Opinion

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

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

Basis for opinion

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

Key audit matters

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

Independent Auditors' Report

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

Valuation of goodwill
(Refer to note 5 to the financial statements)

Risk

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

Our response

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

Valuation of investment properties
(Refer to note 6 to the financial statements)

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

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

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

Independent Auditors' Report

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

Our response

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

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

Other information

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

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Independent Auditors' Report

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Independent Auditors' Report

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

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

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

Report on other legal and regulatory requirements

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

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
20 February 2021

Statements of Financial Position

As at 31 December 2020

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

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

Consolidated Statement of Profit or Loss

Year ended 31 December 2020

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

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

Consolidated Statement of Comprehensive Income

Year ended 31 December 2020

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

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2020

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

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

Consolidated Statement of Changes in Equity (cont'd)

Year ended 31 December 2020

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

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

Consolidated Statement of Cash Flows

Year ended 31 December 2020

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

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

Notes to the Financial Statements

Year ended 31 December 2020

These notes form an integral part of the financial statements.

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

1 Domicile and activities

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

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

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

The Group and the Company are the sole proprietor of the following:

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

The Group and the Company are partners of the following:

Changi Medical Services LLP
Raffles International Medical Assistance LLP

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

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

Notes to the Financial Statements

Year ended 31 December 2020

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 14 - lease term: whether the Group is reasonably certain to exercise extension options.

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

- Note 4 – estimation of useful lives and recoverable amounts of property, plant and equipment
- Note 5 – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts
- Note 6 – determination of fair value of investment properties on the basis of significant unobservable inputs
- Note 16 – insurance contract provisions

Measurement of fair values

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

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

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

Notes to the Financial Statements

Year ended 31 December 2020

2 Basis of preparation (cont'd)

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

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

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

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

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

2.5 Changes in accounting policies

New standards and amendments

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

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

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

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

3 Significant accounting policies

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

Notes to the Financial Statements

Year ended 31 December 2020

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation

Business combinations

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

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

The Group measures goodwill at the date of acquisition as:

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

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

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

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

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

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

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

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Subsidiaries

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

Notes to the Financial Statements

Year ended 31 December 2020

3 Significant accounting policies (cont'd)

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

Written put option in business combination

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

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

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

Loss of control

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

Notes to the Financial Statements

Year ended 31 December 2020

3 Significant accounting policies (cont'd)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss.

Foreign operations

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

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

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

3.3 Financial instruments

Recognition and initial measurement

Non-derivative financial assets and financial liabilities

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

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

Classification and subsequent measurement

Non-derivative financial assets

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

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

Notes to the Financial Statements

Year ended 31 December 2020

3 Significant accounting policies (cont'd)

Financial assets at amortised cost

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

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

Notes to the Financial Statements

Year ended 31 December 2020

3 Significant accounting policies (cont'd)

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

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

Financial assets at amortised cost

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

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

Financial liabilities are classified as measured at amortised cost.

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

Derecognition

Financial assets

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

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

Financial liabilities

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

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

Offsetting

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

Notes to the Financial Statements

Year ended 31 December 2020

3 Significant accounting policies (cont'd)

Cash and cash equivalents

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

Share capital

Ordinary shares

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

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

3.4 Property, plant and equipment

Recognition and measurement

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

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

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

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

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent costs

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

Depreciation

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

Notes to the Financial Statements

Year ended 31 December 2020

3 Significant accounting policies (cont'd)

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

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

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

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

• Leasehold land	99 years, or lease term if shorter
• Properties	50 years
• Right-of-use assets (properties)	2 to 10 years
• Medical equipment	8 to 10 years
• Furniture and fittings	10 years
• Office equipment	5 to 10 years
• Motor vehicles	10 years
• Computers	3 to 6 years
• Renovations	6 years, or lease term if shorter
• Facilities equipment	10 years

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

Reclassification to investment property

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

3.5 Intangible assets and goodwill

(i) Goodwill

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

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

Notes to the Financial Statements

Year ended 31 December 2020

3 Significant accounting policies (cont'd)

(ii) Software development in progress

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

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

(iii) Other intangible assets

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

(iv) Subsequent expenditure

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

(v) Amortisation

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

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

- Customer relationship 7 to 13 years
- Software 8 years

Intangible assets in progress are not amortised.

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

3.6 Investment properties

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

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

Notes to the Financial Statements

Year ended 31 December 2020

3 Significant accounting policies (cont'd)

Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

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

Any gain or loss on disposal of investment properties (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment properties that were previously classified as property, plant and equipment are sold, any related amount included in the revaluation reserve is transferred to accumulated profits. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

3.7 Leases

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

(i) As a lessee

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

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

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

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

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

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

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

Notes to the Financial Statements

Year ended 31 December 2020

3 Significant accounting policies (cont'd)

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

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

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

Short-term leases and leases of low-value assets

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

COVID-19-related rent concessions

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

(ii) As a lessor

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

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

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

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

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

3.8 Inventories

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

Notes to the Financial Statements

Year ended 31 December 2020

3 Significant accounting policies (cont'd)

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

3.9 Impairment

Non-derivative financial assets and contract assets

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

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

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

Simplified approach

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

General approach

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

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

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

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

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

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

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

Notes to the Financial Statements

Year ended 31 December 2020

3 Significant accounting policies (cont'd)

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECLs in the statements of financial position

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

Write-off

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

Non-financial assets

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

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

Notes to the Financial Statements

Year ended 31 December 2020

3 Significant accounting policies (cont'd)

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

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

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

3.10 Employee benefits

Defined contribution plans

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

Short-term employee benefits

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

Share-based payment transactions

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

3.11 Provisions

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

Notes to the Financial Statements

Year ended 31 December 2020

3 Significant accounting policies (cont'd)

3.12 Revenue

Rendering of services

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

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

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

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

Rental income

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

3.13 Government grants

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

3.14 Finance income and finance expenses

The Group's finance income and finance costs include:

- interest income; and
- interest expense.

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

Notes to the Financial Statements

Year ended 31 December 2020

3 Significant accounting policies (cont'd)

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

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

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

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

3.15 Tax

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

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

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

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

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

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

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

Notes to the Financial Statements

Year ended 31 December 2020

3 Significant accounting policies (cont'd)

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

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

3.16 Earnings per share

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

3.17 Segment reporting

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

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

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

3.18 New standards and interpretations not yet adopted

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

Effective for annual periods beginning on or after 1 January 2021

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

Effective for annual periods beginning on or after 1 January 2022

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

Notes to the Financial Statements

Year ended 31 December 2020

3 Significant accounting policies (cont'd)

Effective for annual periods beginning on or after 1 January 2023

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

Effective date is deferred indefinitely

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

4 Property, plant and equipment

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

Notes to the Financial Statements

Year ended 31 December 2020

4 Property, plant and equipment (cont'd)

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

Reclassification from investment properties

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

4 Property, plant and equipment (cont'd)

	Right-of-use assets (properties) $'000	Medical equipment $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Computers $'000	Renovations $'000	Fixed asset work in progress $'000	Total $'000
Company									
Cost									
At 1 January 2019	4,485	4,556	2,381	1,494	700	6,802	6,414	66	26,898
Additions	299	74	21	220	–	337	228	32	1,211
Disposal	–	(3)	–	–	–	(18)	–	–	(21)
Write-off	–	(86)	(26)	(12)	–	(86)	–	–	(210)
Transfer/Reclassification	–	7	(2)	2	–	–	–	(7)	–
At 31 December 2019	4,784	4,548	2,374	1,704	700	7,035	6,642	91	27,878
At 1 January 2020	4,784	4,548	2,374	1,704	700	7,035	6,642	91	27,878
Additions	4	165	21	19	–	235	109	243	796
Derecognition of right-of-use assets	(2,203)	–	–	–	–	–	–	–	(2,203)
Lease Modification	(150)	–	–	–	–	–	–	–	(150)
Disposal	–	(19)	–	–	–	(6)	–	(3)	(28)
Write-off	–	(568)	(335)	(147)	–	(1,712)	(5,127)	(2)	(7,891)
Transfer/Reclassification	–	–	–	–	–	–	316	(316)	–
At 31 December 2020	2,435	4,126	2,060	1,576	700	5,552	1,940	13	18,402
Accumulated depreciation									
At 1 January 2019	–	2,654	1,558	860	299	5,450	5,784	–	16,605
Depreciation charge for the year	1,612	472	183	256	59	629	378	–	3,589
Disposal	–	(1)	–	–	–	(17)	–	–	(18)
Write-off	–	(73)	(22)	(12)	–	(84)	–	–	(191)
At 31 December 2019	1,612	3,052	1,719	1,104	358	5,978	6,162	–	19,985
At 1 January 2020	1,612	3,052	1,719	1,104	358	5,978	6,162	–	19,985
Depreciation charge for the year	1,146	428	155	242	59	442	387	–	2,859
Derecognition of right-of-use assets	(1,525)	–	–	–	–	–	–	–	(1,525)
Disposal	–	(1)	–	–	–	(6)	–	–	(7)
Write-off	–	(507)	(259)	(140)	–	(1,689)	(5,122)	–	(7,717)
At 31 December 2020	1,233	2,972	1,615	1,206	417	4,725	1,427	–	13,595
Carrying amounts									
At 1 January 2019	4,485	1,902	823	634	401	1,352	630	66	10,293
At 31 December 2019	3,172	1,496	655	600	342	1,057	480	91	7,893
At 31 December 2020	1,202	1,154	445	370	283	827	513	13	4,807

Notes to the Financial Statements

Year ended 31 December 2020

4 Property, plant and equipment (cont'd)

Details of freehold land, leasehold land and properties of the Group are as follows:

Description/Location	Gross Floor Area (sq m)	Tenure	Group Carrying amount 2020 $'000	Group Carrying amount 2019 $'000
HDB shop with living quarters located at Blk 283, Bishan St 22, #01-177, Singapore 570283, held for use as a primary healthcare clinic	135.0	99 years commencing from 01/02/1991	659	684
A factory unit, located at 196 Pandan Loop, #06-05 Pantech Industrial Complex, Singapore 128384, held for use as a store	112.0	99 years commencing from 27/01/1984	189	196
HDB shop with living quarters located at Blk 722 Ang Mo Kio Ave 8, #01-2825, Singapore 560722, held for use as a primary healthcare clinic	152.0	86 years commencing from 01/10/1993	916	952
HDB shop with living quarters located at Blk 131 Jurong East St 13, #01-267, Singapore 600131, held for use as a primary healthcare clinic	250.0	91 years commencing from 01/04/1993	1,185	1,227
HDB shop with living quarters located at Blk 177 Toa Payoh Central, #01-170, Singapore 310177, held for use as a primary healthcare clinic	115.0	78 years commencing from 01/10/1992	742	769
HDB shop with living quarters located at Blk 203 Bedok North St 1, #01-467, Singapore 460203, held for use as a primary healthcare clinic	153.0	84 years commencing from 01/07/1992	596	617
HDB shop with living quarters located at Blk 446 Clementi Avenue 3, #01-189, Singapore 120446, held for use as a primary healthcare clinic	182.0	84 years commencing from 01/01/1995	4,873	4,957
A hospital building, located at 585 North Bridge Road, Singapore 188770, held for use as a hospital and medical centre	28,887.1*	99 years commencing from 01/03/1979	179,079	183,913
A building, located at 585 North Bridge Road, Singapore 188770	20,385.30^	99 years commencing from 01/03/1979	127,555	117,807
A building, located at 25 Tannery Lane, Singapore 347786, held for use as support office and storage centre	3,295.5	Freehold	19,890	20,054
A shopping mall, located at 118 Holland Avenue, Singapore 278997, held for use as a medical centre	6,011.4#	99 years commencing from 18/01/1985	17,109	17,419
A hospital building, located at No. 2, Huashan Middle Road, Yubei District, Chongqing, China	105,690.6	40 years commencing from 30/11/2017	141,964**	127,355**
			494,757	475,950

* Includes commercial space of 826.2 sq m (2019: 826.2 sq m) classified as investment properties.
^ Includes commercial space of 6,310.1 sq m (2019: 6,829.5 sq m) classified as investment properties.
# Includes commercial space of 4,981.1 sq m (2019: 4,981.1 sq m) classified as investment properties.
** Includes cost of $32,482,000 (2019: $69,987,000) which the underlying assets had not put into use. Staff costs of $Nil (2019: $921,000) and borrowing costs of $Nil (2019: $2,517,000) were capitalised during the year.

Notes to the Financial Statements

Year ended 31 December 2020

4 Property, plant and equipment (cont'd)

Major fixed asset work in progress

In 2020, staff costs of $650,000 (2019: $2,570,000) and borrowing costs of $1,306,000 (2019: $871,000) were capitalised during the year.

Location	Description	Intended use	Expected date of completion	Site area/ gross floor area (sq m)	Group effective interest (%)
Central business zone of Qiantan, Pudong New District, Shanghai, China	Hospital building	Commercial	2021	12,456/40,000 (estimated)	70

Source of estimation uncertainty

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

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

5 Intangible assets and goodwill

	Goodwill $'000	Customer relationship $'000	Membership rights $'000	Software under development $'000	Software $'000	Total $'000
Group						
Cost						
At 1 January 2019	24,975	4,404	164	3,314	6,911	39,768
Additions	–	–	–	2,373	95	2,468
Reclassification from property, plant and equipment (note 4)	–	–	–	–	7	7
Transfer	–	–	–	(4,431)	4,431	–
Effects of movement in exchange rate	(588)	(76)	–	(1)	(33)	(698)
At 31 December 2019	24,387	4,328	164	1,255	11,411	41,545
Additions	–	–	–	411	776	1,187
Transfer	–	–	–	(445)	445	–
Effects of movement in exchange rate	934	130	–	–	62	1,126
At 31 December 2020	25,321	4,458	164	1,221	12,694	43,858

Notes to the Financial Statements

Year ended 31 December 2020

5 Intangible assets and goodwill (cont'd)

	Goodwill $'000	Customer relationship $'000	Membership rights $'000	Software under development $'000	Software $'000	Total $'000
Group						
Accumulated amortisation and impairment losses						
At 1 January 2019	552	1,044	–	–	885	2,481
Amortisation	–	386	–	–	1,224	1,610
At 31 December 2019	552	1,430	–	–	2,109	4,091
Amortisation	–	363	–	–	1,645	2,008
Impairment loss	3,500	–	76	–	–	3,576
Effects of movement in exchange rate	36	–	–	–	3	39
At 31 December 2020	4,088	1,793	76	–	3,757	9,714
Carrying amounts						
At 1 January 2019	24,423	3,360	164	3,314	6,026	37,287
At 31 December 2019	23,835	2,898	164	1,255	9,302	37,454
At 31 December 2020	21,233	2,665	88	1,221	8,937	34,144

	Membership rights $'000	Software $'000	Total $'000
Company			
Cost			
At 1 January 2019 and at 31 December 2019	93	1,270	1,363
Additions	–	213	213
At 31 December 2020	93	1,483	1,576
Accumulated amortisation and impairment losses			
At 1 January 2019	–	196	196
Amortisation	–	160	160
At 31 December 2019	–	356	356
Amortisation	–	192	192
Impairment loss	25	–	25
At 31 December 2020	25	548	573
Carrying amounts			
At 1 January 2019	93	1,074	1,167
At 31 December 2019	93	914	1,007
At 31 December 2020	68	935	1,003

Notes to the Financial Statements
Year ended 31 December 2020

5 Intangible assets and goodwill (cont'd)

Impairment testing for CGUs containing goodwill

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

	Group	
	2020 $'000	**2019 $'000**
Group		
China clinics	18,336	20,886
Cambodia clinic	2,897	2,949
	21,233	23,835

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

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

	2020 %	**2019 %**
Group		
Discount rate	11.8 – 17.7	14.4 – 22.3
Terminal growth rate	3.0	3.0
Revenue growth rate for next five years	6.0 – 50.4	5.7 – 50.8

The discount rate was a pre-tax measure based on the rate of 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal GDP rates for the countries in which the CGUs operate.

Revenue growth was projected based on expectation of future outcomes taking into account the average growth levels experienced over the past five years and the estimated growth for the next five years.

Management has identified that a reasonably possible change in budgeted first year revenue growth could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which this key assumption would need to change (while holding all other variables constant) for the respective CGUs for the estimated recoverable amount to be equal to the carrying amount.

	Decrease in budgeted first year revenue growth rate	
	2020 %	**2019 %**
China clinics	-	19.8
Cambodia clinic	0.94	14.8

Notes to the Financial Statements

Year ended 31 December 2020

5 Intangible assets and goodwill (cont'd)

China Clinics

Impairment loss was recognised in relation to the goodwill in the China clinics cash-generating unit (CGU) as follows:

	Group	
	2020	**2019**
	$'000	**$'000**
Goodwill	3,500	–

The recoverable amount of the China clinic CGU was based on its value in use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGU. In 2020, the operations of the China clinics were affected by the COVID-19 coronavirus pandemic and the measures. Management has taken into consideration the uncertainty of the pandemic situation in China going forward in the estimates of future cash flows. The carrying amount of the CGU was determined to be higher than its recoverable amount by $3,500,000 and an impairment loss of $3,500,000 was recognised. The impairment loss was fully allocated to goodwill and included in 'other operating expenses'.

Following the impairment loss recognised in the Group's China clinic CGU, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

Source of estimation uncertainty

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

6 Investment properties

		Group	
	Note	**2020**	**2019**
		$'000	**$'000**
At 1 January		311,160	311,160
Additions		-	55
Adjustments		(58)	(2,183)
Reclassification to property, plant and equipment	4	(12,000)	–
Changes in fair value		(4,502)	2,128
At 31 December		294,600	311,160

Notes to the Financial Statements

Year ended 31 December 2020

6 Investment properties (cont'd)

(a) Investment properties relate to the shop units within Raffles Hospital Building and Raffles Specialist Centre, units of commercial space within Samsung Hub and Raffles Holland V that are leased to external parties. Each of the leases contains an initial non-cancellable period of 1 to 5 years. This is subject to the terms and conditions of the lease agreements entered into and subsequent renewals are negotiated with the respective lessee. These properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

(b) In 2020, a portion of commercial spaces were converted into premises occupied by owner. Accordingly, a portion of the investment properties amounted to $12,000,000 were transferred to property, plant and equipment.

Investment properties:

Description/Location	Tenure	Gross Floor Area (sq m)
Units within Raffles Hospital, located at 585 North Bridge Road, Singapore 188770	99 years commencing from 01/03/1979	826.2 (2019: 826.2)
Units within Raffles Specialist Centre, located at 585 North Bridge Road, Singapore 188770	99 years commencing from 01/03/1979	6,310.1 (2019: 6,829.5)
Units within Samsung Hub, located at 3 Church Street Singapore 049483	999 years commencing from 25/01/1827	491.0 (2019: 491.0)
Units within Raffles Holland V, located at 118 Holland Avenue, Singapore 278997	99 years commencing from 18/01/1985	4,981.1 (2019: 4,981.1)

Measurement of fair value

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

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

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

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

Notes to the Financial Statements

Year ended 31 December 2020

6 Investment properties (cont'd)

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

These estimated market values may differ from the prices at which the Group's investment properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of factors not within the directors' control, such as overall market conditions. As a result, actual results of operations and realisation of these investment properties could differ from the estimates set forth in these financial statements, and the difference could be significant.

(ii) Fair value hierarchy

Investment properties that are measured at fair value are stated at fair value based on valuation performed by independent professional valuers, Jones Lang LaSalle Property Consultants Pte. Ltd. (2019: Jones Lang LaSalle Property Consultants Pte. Ltd.), having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The fair value measurement for investment properties of $294,600,000 (2019: $311,160,000) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 2.4).

(iii) Level 3 fair value

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	Note	Group	
		2020 $'000	2019 $'000
At 1 January		311,160	311,160
Reclassification to property, plant and equipment	4	(12,000)	–
Additions		–	55
Adjustment		(58)	(2,183)
(Loss)/gain included in other operating expense/income			
- Changes in fair value		(4,502)	2,128
At 31 December		294,600	311,160

Notes to the Financial Statements

Year ended 31 December 2020

6 Investment properties (cont'd)

Valuation technique and significant unobservable inputs

The following table shows the Group's valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation and discounted cash flow approach	• Capitalisation rates 3.5% to 6.25% (2019: 3.5% to 6.25%) • Discount rates 7.25% (2019: 7.25%) • Terminal yield rates 4.25% (2019: 4.25%)	The estimated fair value varies inversely against the capitalisation rates and discount rates.

Notes to the Financial Statements

Year ended 31 December 2020

7 Deferred tax assets and liabilities

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

	At 1 January 2019 $'000	Recognised in profit or loss (note 21) $'000	Exchange differences $'000	At 31 December 2019 $'000	Recognised in profit or loss (note 21) $'000	Exchange differences $'000	At 31 December 2020 $'000
Group							
Deferred tax assets							
Property, plant and equipment	(53)	(40)	–	(93)	21	-	(72)
Unutilised tax losses	(908)	(129)	18	(1,019)	100	(31)	(950)
Other items	(50)	(4)	1	(53)	4	1	(48)
	(1,011)	(173)	19	(1,165)	125	(30)	(1,070)
Deferred tax liabilities							
Property, plant and equipment	3,398	(70)	–	3,328	(153)	–	3,175
Software	1,026	193	–	1,219	(67)	–	1,152
Intangible assets	828	(88)	(20)	720	(89)	33	664
Other items	(487)	2,234	–	1,747	1,008	–	2,755
	4,765	2,269	(20)	7,014	699	33	7,746
Deferred tax liabilities/(assets) (net)	3,754	2,096	(1)	5,849	824	3	6,676

Notes to the Financial Statements

Year ended 31 December 2020

7 Deferred tax assets and liabilities (cont'd)

	At 1 January 2019 $'000	Recognised in profit or loss $'000	At 31 December 2019 $'000	Recognised in profit or loss $'000	At 31 December 2020 $'000
Company					
Deferred tax liabilities					
Property, plant and equipment	647	12	659	(228)	431
Software	182	(27)	155	4	159
Other items	(185)	(236)	(421)	90	(331)
	644	(251)	393	(134)	259

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

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

	Group	
	2020 $'000	2019 $'000
Tax losses	82,744	48,192

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

8 Trade and other receivables

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade receivables	95,605	72,938	42,177	17,911
Allowance for doubtful receivables	(5,549)	(6,060)	(2,038)	(2,557)
Net receivables	90,056	66,878	40,139	15,354
Deposits	7,628	5,032	145	534
Staff loans	751	2,025	516	764
Other receivables	15,621	11,060	1,685	674
Amounts due from subsidiaries:				
- trade	–	–	36,183	48,913
- non-trade (see note below)	–	–	104,108	75,474
	114,056	84,995	182,776	141,713
Prepayments	2,658	2,392	1,069	1,040
	116,714	87,387	183,845	142,753
Non-current	3,285	3,452	5,250	5,843
Current	113,429	83,935	178,595	136,910
	116,714	87,387	183,845	142,753

Notes to the Financial Statements

Year ended 31 December 2020

8 Trade and other receivables (cont'd)

The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand. There is no impairment loss arising from these outstanding balances as ECL is not material.

The Group and the Company's exposure to credit and currency risks, and impairment losses related to trade and other receivables are disclosed in note 17.

Included in other receivables is an amount of $2,440,000 relating to government grant – Job Support Scheme (JSS) that became receivable during the year.

9 Cash and cash equivalents

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Fixed deposits	158,361	99,718	97,959	45,689
Cash at bank and in hand *	44,753	52,108	1,956	1,932
Cash and cash equivalents in the statements of financial position	203,114	151,826	99,915	47,621
Bank balances deposited in an escrow account	(1,057)	(1,077)	–	–
Cash and cash equivalents in the consolidated statement of cash flows	202,057	150,749	99,915	47,621

* Includes interest-bearing cash deposit

The weighted average effective interest rates per annum relating to cash and cash equivalents, at the reporting date for the Group and Company are 0.37% (2019: 1.83%) and 0.28% (2019: 1.67%) respectively. Interest rates re-price at intervals of one week to three months (2019: one week to three months).

10 Capital and reserves

Share capital

	2020		2019	
	No. of shares '000	$'000	No. of shares '000	$'000
Company				
Fully paid ordinary shares, with no par value:				
At 1 January	1,828,258	393,470	1,797,174	365,332
Issue of shares under scrip dividend	35,155	26,718	29,516	27,156
Issue of shares under share option scheme	1,313	778	1,568	982
At 31 December	1,864,726	420,966	1,828,258	393,470

Ordinary shares

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

Notes to the Financial Statements

Year ended 31 December 2020

10 Capital and reserves (cont'd)

During the financial year, the Company issued 35,155,000 shares at $0.76 per share (2019: 29,516,000 shares at $0.92 per share) to shareholders in lieu of cash dividends of 2.00 cents (2019: 2.00 cents) per ordinary share pursuant to Raffles Medical Group Ltd Scrip Dividend Scheme.

Pursuant to the option plans i.e. RMG 2000 Scheme and RMG 2010 Scheme, a total of 1,313,000 (2019: 1,568,000) new fully-paid ordinary shares were also issued during the year for cash by the Company as follows:

Date of Grant	Exercise price*	No. of Shares	
	$	2020	2019
01/04/2009	0.26	–	421,000
01/04/2010	0.55	1,014,000	480,000
01/04/2011	0.73	252,000	154,000
02/04/2012	0.78	47,000	180,000
01/04/2013	1.09	–	3,000
01/04/2014	1.07	–	330,000
		1,313,000	1,568,000

* 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.

Reserves

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

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Translation reserve	(1,109)	(10,063)	–	–
Equity compensation reserve	30,671	29,054	30,671	29,054
Revaluation reserve	16,367	16,367	–	–
Reserve for own shares	(400)	(400)	(400)	(400)
Other reserve	(4,656)	(4,705)	–	–
Accumulated profits	437,157	417,170	296,874	270,788
	478,030	447,423	327,145	299,442

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Equity compensation reserve

The equity compensation reserve comprises the cumulative value of employee services received for shares under the share plans of the Company.

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Year ended 31 December 2020

10 Capital and reserves (cont'd)

Revaluation reserve

The revaluation reserve relates to difference between the carrying amount of the property, plant and equipment and its fair value at the date of reclassification to investment properties.

Reserve for own shares

The Company acquired Nil (2019: 400,000) of its own shares during the year. The treasury shares held by the Company as at 31 December 2020 represent 0.02% (2019: 0.02%) of the total number of issued shares (excluding treasury shares).

Other reserve

Other reserve relates to present value of the exercise price of written put option arising from the call and put options entered with the non-controlling shareholders (see note 15), and the difference of the net recognised amount of the identifiable assets acquired and liabilities assumed over fair value of the consideration on the acquisition of the non-controlling interests.

11 Share based payment

Raffles Medical Group (2000) Share Option Scheme

On 31 October 2000, the shareholders of the Company approved the Raffles Medical Group (2000) Share Option Scheme (RMG 2000 Scheme) at the Extraordinary General Meeting. The Scheme was administered by the Nomination & Compensation Committee comprising five directors, Mr Eric Ang Teik Lim, Mr Koh Poh Tiong, Dr Wee Beng Geok, Mr Png Cheong Boon and Dr Sarah Lu Qinghui.

Information regarding the scheme is as follows:

(i) Subscription price:

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

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

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

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

Raffles Medical Group (2010) Share Option Scheme

(1) On 30 April 2010, the Shareholders of the Company approved the Raffles Medical Group (2010) Share Option Scheme (RMG 2010 Scheme) at the Annual General Meeting. Details of the RMG 2010 Scheme were set out in the Circular to Shareholders dated 8 April 2010.

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Year ended 31 December 2020

11 Share based payment (cont'd)

(2) The existing RMG 2000 Scheme was concurrently terminated. The termination of the RMG 2000 Scheme will, however, not affect the subscription rights comprised in options granted pursuant to the RMG 2000 Scheme prior to the termination. Such options will continue to be exercisable in accordance with the RMG 2000 Scheme. However, no further options will be granted under the RMG 2000 Scheme.

Information regarding the scheme is as follows:

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

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

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

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

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

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

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

The RMG 2010 Scheme is administered by a committee comprising Directors of the Company duly authorised and appointed by the Board to administer the RMG 2010 Scheme. The Scheme is administered by the Committee comprising five directors, Mr Eric Ang Teik Lim, Mr Koh Poh Tiong, Dr Wee Beng Geok, Mr Png Cheong Boon and Dr Sarah Lu Qinghui.

Raffles Medical Group (2020) Share Option Scheme

On 26 June 2020, the Shareholders of the Company approved the Raffles Medical Group (2020) Share Option Scheme (RMG 2020 Scheme) at the Annual General Meeting. The existing RMG 2010 Scheme was concurrently terminated. The termination of the RMG 2010 Scheme will, however, not affect the subscription rights comprised in options granted pursuant to the RMG 2010 Scheme prior to the termination. Such options will continue to be exercisable in accordance with the RMG 2010 Scheme. However, no further options will be granted under the RMG 2010 Scheme.

Notes to the Financial Statements

Year ended 31 December 2020

11 Share based payment (cont'd)

Information regarding the scheme is as follows:

(i) Subject to any adjustment pursuant to any variation of the share capital of the Company, the subscription price for each share under the RMG 2020 Scheme shall be:

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

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

(c) the prior approval of the shareholders of the Company in general meeting shall have been obtained for the making of offers and grants of options at a discount not exceeding the maximum discount in a separate resolution (for the avoidance of doubt, such prior approval shall be required to be obtained only once and, once obtained, shall, unless revoked, authorise the making of offers and grants of options under the RMG 2020 Scheme at such discount for the duration of the RMG 2020 Scheme); or

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

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

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

The RMG 2020 Scheme is administered by a committee comprising Directors of the Company duly authorised and appointed by the Board to administer the RMG 2020 Scheme. The Scheme is administered by the Nomination and Compensation Committee comprising five directors, Mr Eric Ang Teik Lim, Mr Koh Poh Tiong, Dr Wee Beng Geok, Mr Png Cheong Boon and Dr Sarah Lu Qinghui.

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

	Weighted average exercise price 2020 $	No. of options 2020 '000	Weighted average exercise price 2019 $	No. of options 2019 '000
Outstanding at 1 January	1.163	71,665	1.167	65,689
Granted during the year	0.810	9,100	1.040	10,000
Forfeited/expired during the year	1.158	(3,047)	1.103	(2,456)
Exercised during the year	0.593	(1,313)	0.627	(1,568)
Outstanding at 31 December	1.131	76,405	1.163	71,665
Exercisable at 31 December	1.200	52,606	1.183	51,317

Notes to the Financial Statements

Year ended 31 December 2020

11 Share based payment (cont'd)

Options under RMG 2000 Scheme and RMG 2010 Scheme exercised in 2020 resulted in 1,313,000 ordinary shares being issued at weighted average exercise price of $0.593 each.

In 2020, 3,047,000 options under RMG 2000 Scheme, RMG 2010 Scheme and RMG 2020 Scheme were forfeited at weighted average exercise price of $1.158 each.

Options were exercised on a regular basis throughout the year. The weighted average share price during the year was $0.88 (2019: $1.04) per share.

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

Date of grant of options	Expiry date	Exercise price* $	Options outstanding 2020 '000	Options outstanding 2019 '000
01/04/2010	31/03/2020	0.55	–	1,084
01/04/2011	31/03/2021	0.73	2,211	2,466
02/04/2012	01/04/2022	0.78	4,948	5,019
01/04/2013	31/03/2023	1.09	6,941	7,436
01/04/2014	31/03/2024	1.07	8,106	8,718
01/04/2015	31/03/2020	1.31	–	1,335
01/04/2015	31/03/2025	1.31	12,611	12,611
01/04/2016	31/03/2021	1.50	912	912
01/04/2016	31/03/2026	1.50	9,435	9,435
03/04/2017	02/04/2022	1.42	560	600
03/04/2017	02/04/2027	1.42	4,338	4,338
03/09/2018	02/09/2023	1.09	725	900
03/09/2018	02/09/2028	1.09	7,013	7,013
01/07/2019	30/06/2024	1.04	825	1,000
01/07/2019	30/06/2029	1.04	8,698	8,698
01/07/2019	30/06/2024	1.08	100	100
05/10/2020	04/10/2025	0.81	1,950	–
05/10/2020	04/10/2030	0.81	7,032	–
			76,405	71,665

* 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.

	Group	
Date of grant of options	**05/10/2020**	**01/07/2019**
Fair value of share options and assumptions		
Fair value at measurement date	$0.125 – $0.156	$0.161 – $0.202
Share price	$0.805	$1.03
Exercise price	$0.81	$1.04 – $1.08
Expected volatility	26.17%	21.05%
Expected option life	3.5 – 7.6 years	4.0 – 6.9 years
Expected dividend yield	2.74%	1.88%
Risk-free interest rate	1.24%	2.25%

Notes to the Financial Statements

Year ended 31 December 2020

11 Share based payment (cont'd)

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

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

Raffles Medical Group (2020) Performance Share Plan

On 26 June 2020, the Shareholders of the Company approved the Raffles Medical Group (2020) Performance Share Plan (RMG 2020 PSP) at the Annual General Meeting.

Information regarding the share plan is as follows:

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

(a) in relation to performance related awards, shares which are subject to that award shall only be released to the participants at the end of the relevant vesting period or on the relevant vesting date, subject to the NCC having determined that the performance conditions have been satisfied at the end of the relevant performance period;

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

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

The RMG 2020 PSP is administered by the Nomination and Compensation Committee comprising Directors of the Company duly authorised and appointed by the Board to administer the RMG 2020 PSP. The Scheme is administered by the Committee comprising five directors, Mr Eric Ang Teik Lim, Mr Koh Poh Tiong, Dr Wee Beng Geok, Mr Png Cheong Boon and Dr Sarah Lu Qinghui.

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

Date of grant of awards	Share Awards outstanding
05/10/2020	1,689,000

The fair value of services received in return for the share awards are measured by reference to the fair value of share granted on the date of grant of award.

	Group
Date of grant of awards	05/10/2020
Fair value at date of grant	$0.805

Notes to the Financial Statements

Year ended 31 December 2020

12 Loans and borrowings

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Non-current liabilities				
Unsecured bank loans	143,859	156,559	47,849	47,771
Current liabilities				
Unsecured bank loans	27,201	8,542	8,584	8,484
Total loans and borrowings	171,060	165,101	56,433	56,255

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

Terms and debt repayment schedule

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

				2020		2019	
	Currency	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000	Face value $'000	Carrying amount $'000
Group							
Unsecured bank loan	S$	0.65% + SWAP/SOR	2021-2023	87,914	87,810	87,912	87,679
Unsecured bank loan	CNY	LPR + 1.00%	2021-2022	74,666	74,666	–	–
Unsecured bank loan	CNY	103% of 1-5 years PBOC Base Rate	2020-2022	–	–	68,938	68,938
Unsecured bank loan	HK$	1.00	2021	6,734	6,734	–	–
Unsecured bank loan	JPY	0.47	2021	1,850	1,850	–	–
Unsecured bank loan	HK$	2.76	2020	–	–	6,706	6,706
Unsecured bank loan	JPY	0.52	2020	–	–	1,778	1,778
Total interest-bearing liabilities				171,164	171,060	165,334	165,101
Company							
Unsecured bank loan	S$	0.65% + SWAP/SOR	2021-2023	47,914	47,849	47,912	47,771
Unsecured bank loan	HK$	1.00	2021	6,734	6,734	–	–
Unsecured bank loan	JPY	0.47	2021	1,850	1,850	–	–
Unsecured bank loan	HK$	2.76	2020	–	–	6,706	6,706
Unsecured bank loan	JPY	0.52	2020	–	–	1,778	1,778
Total interest-bearing liabilities				56,498	56,433	56,396	56,255

Notes to the Financial Statements

Year ended 31 December 2020

12 Loans and borrowings (cont'd)

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

	Liabilities			
	Loans and borrowings	Loan from subsidiary's non-controlling interest	Lease liabilities	Total
	$'000	$'000	$'000	$'000
Group				
Balance as at 1 January 2020	165,101	14,511	35,275	214,887
Changes from financing cash flows				
Proceeds from bank loans	57,959	–	–	57,959
Proceeds from loan due to subsidiary's non-controlling interest	–	12,546	–	12,546
Repayment of bank loans	(55,392)	–		(55,392)
Payment of lease liabilities	–	–	(11,558)	(11,558)
Interest paid	(4,575)	(736)	–	(5,311)
Lease interest paid	–	–	(714)	(714)
Total changes from financing cash flows	(2,008)	11,810	(12,272)	(2,470)
The effect of changes in foreign exchange rates	3,049	750	161	3,960
Other changes				
New leases	–	–	10,172	10,172
Capitalised borrowing costs	554	752	–	1,306
Lease derecognition	–	–	(217)	(217)
Interest expense	4,364	75	714	5,153
Total other changes	4,918	827	10,669	16,414
Balance as at 31 December 2020	171,060	27,898	33,833	232,791
Balance as at 1 January 2019	116,496	2,402	21,067	139,965
Changes from financing cash flows				
Proceeds from bank loans	168,270	–	–	168,270
Proceeds from loan due to subsidiary's non-controlling interest	–	12,111	–	12,111
Repayment of bank loans	(118,653)	–	–	(118,653)
Payment of lease liabilities	–	–	(7,952)	(7,952)
Interest paid	(4,417)	–	–	(4,417)
Lease interest paid	–	–	(440)	(440)
Total changes from financing cash flows	45,200	12,111	(8,392)	48,919
The effect of changes in foreign exchange rates	(1,484)	(2)	(422)	(1,908)
Other changes				
New leases	–	–	22,795	22,795
Capitalised borrowing costs	3,388	–	–	3,388
Lease modification	–	–	(213)	(213)
Interest expense	1,501	–	440	1,941
Total other changes	4,889	–	23,022	27,911
Balance as at 31 December 2019	165,101	14,511	35,275	214,887

* See note 2.5

Notes to the Financial Statements

Year ended 31 December 2020

13 Trade and other payables

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade payables	41,808	42,700	6,121	4,227
Accrued operating expenses	119,905	98,142	34,742	22,238
Amounts due to subsidiaries:				
- trade	–	–	3,700	291
- non-trade	–	–	41,862	17,325
Loans from subsidiary's non-controlling interest	27,898	14,511	–	–
Deferred income	4,809	636	2,327	502
Deposits received	5,007	3,447	369	317
Other payables	27,865	24,020	4,691	3,935
	227,292	183,456	93,812	48,835
Non-current	35,910	20,926	2,983	1,157
Current	191,382	162,530	90,829	47,678
	227,292	183,456	93,812	48,835

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

The loans from subsidiary's non-controlling interest included loan of $2,630,000 (2019: $2,400,000) which is unsecured, bears interest at 3% (2019:3%) per annum and is repayable on demand, and loan of $25,268,000 (2019: $12,111,000) is unsecured, bears interest at 4.75% (2019: 4.75%) per annum and is repayable within three years at the discretion of the Group.

Deferred income included an amount of $3,996,000 relating to government grants – JSS that was received or became receivable during the year. The Group has received JSS that meant to provide wage support to employees to help them retain their local employees. The amount of grant recognised in profit or loss during the year is presented in 'other operating income' (see note 19).

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

14 Lease liabilities

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Non-current				
one to two years	9,992	8,949	384	957
two to three years	9,264	7,032	130	718
three to four years	1,675	5,052	72	264
four to five years	622	3,191	13	72
more than five years	745	292	–	14
	22,298	24,516	599	2,025
Current				
less than one year	11,535	10,759	629	1,192
	33,833	35,275	1,228	3,217

Notes to the Financial Statements

Year ended 31 December 2020

14 Lease liabilities (cont'd)

Leases as lessee (SFRS(I) 16)

The Group leases clinics, that typically run for a period of 2 to 10 years, with an option to renew the lease after that date. Lease payments are renegotiated every 2 to 10 years to reflect market rentals.

The Group leases equipment with contract terms of one to four years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see note 4).

Amounts recognised in profit or loss

	2020 $'000	2019 $'000
Leases under SFRS(I) 16		
Interest on lease liabilities	714	440
* Expenses relating to short-term leases	618	3,092
* Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	181	159

Amounts recognised in consolidated statement of cash flows

	2020 $'000	2019 $'000
Total cash outflow for leases	(12,272)	(8,392)

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The Group expects to make use of all extension options in the lease contracts, which typically vary between 1 and 3 years.

Leases as lessor

The Group leases out its investment property consisting of its owned commercial properties (see note 6). All leases are classified as operating leases from a lessor perspective. Each of the leases contains an initial non-cancellable period of 1-5 years, with fixed annual rents. Subsequent renewals are negotiated with the lessee and historically the average renewal period ranges from 1-5 years.

Notes to the Financial Statements
Year ended 31 December 2020

14 Lease liabilities (cont'd)

The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income from investment property recognised by the Group during 2020 was $6,989,000 (2019: $8,213,000).

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

	Group	
	2020 $'000	2019 $'000
Operating leases under SFRS(I) 16		
Less than one year	7,611	7,859
One to two years	4,310	6,682
Two to three years	1,095	3,374
Three to four years	–	508
Total	13,016	18,423

15 Other financial liabilities

	Group	
	2020 $'000	2019 $'000
Present value of the exercise price of written put options	2,705	2,754

The Group has a written call and put options with the non-controlling shareholders of certain subsidiaries. These call options provide the Group the right to require the non-controlling shareholders to sell the shares owned by them, and put options provide the non-controlling shareholders the right to require the Group to acquire shares owned by them.

16 Insurance contract provisions

Analysis of movements in insurance contract provisions

	Group					
	‹---------- 2020 ----------›			‹---------- 2019 ----------›		
	Gross $'000	Reinsurers' share $'000	Net $'000	Gross $'000	Reinsurers' share $'000	Net $'000
At 1 January	42,062	(22,089)	19,973	34,965	(21,105)	13,860
Provision made	73,013	(26,607)	46,406	67,510	(22,894)	44,616
Provision used	(65,232)	23,331	(41,901)	(60,413)	21,910	(38,503)
At 31 December	49,843	(25,365)	24,478	42,062	(22,089)	19,973

Notes to the Financial Statements

Year ended 31 December 2020

16 Insurance contract provisions (cont'd)

The Group writes both group and individual health insurance contracts, as well as group term life contracts. Insurance contract provisions represent the Group's liabilities to the insured under insurance contracts whether reported or not reported as at the balance sheet date. Historical data collated by the management were used for determining the expected ultimate claims liability. This data was also supplemented by externally available information on industry statistics and trends.

The Group reserving methodology for determining insurance contract provision is intended to result in the most likely or expected outcome for the ultimate loss settlement by analysing the historical claim payments to identify possible trends in order to project future claim payments. The Principal method used is the Chain Ladder method. This approach is supplemented with the Bornhuetter-Ferguson and Expected Loss Ratio methods where appropriate. An additional loading is applied, otherwise known as a provision for adverse deviation, having regard to Singapore Insurance Legislation administered by the Monetary Authority of Singapore (MAS) and uncertainty introduced by limitations of available data. This is to ensure the adequacy of the provisions required to meet the obligations of the Group's future liabilities. An external actuary performs regularly a valuation of the policy liabilities in accordance with the MAS's regulations. The adequacy of the estimated policy liabilities are verified by the actuary.

Source of estimation uncertainty

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

17 Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

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

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit & Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

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

Notes to the Financial Statements

Year ended 31 December 2020

17 Financial instruments (cont'd)

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

Credit risk

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

The carrying amount of financial assets represents the Group and the Company's respective maximum exposure to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of their financial assets.

Trade and other receivables

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

The Group's primary exposure to credit risk arises through its cash and cash equivalents, trade and other receivables. Concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. The Group does not require collateral in respect of trade receivables. The Group does not have trade receivables which no loss allowance is recognised because of collateral.

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

Trade receivables

Group and Company

The Group and Company applied the simplified approach in SFRS(I) 9 to measure the loss allowance of trade receivables from individual and corporate customers at lifetime ECL based on allowance matrix, which comprise a very large number of small balances. As the Group and Company's past default experience does not show significantly different loss patterns for different customer segments, the allowance matrix is not further distinguished between the different customer bases.

Notes to the Financial Statements

Year ended 31 December 2020

17 Financial instruments (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

Group	Weighted average loss rate %	Gross carrying amount $'000	Impairment loss allowance $'000	Credit impaired
31 December 2020				
No credit terms	–	10,944	–	No
Not past due	0.62	36,677	226	No
Past due 0 – 30 days	2.55	25,555	652	No
Past due 31 – 180 days	9.23	15,462	1,427	No
Past due 181 – 365 days	16.76	3,007	504	Yes
More than one year	69.20	3,960	2,740	Yes
		95,605	5,549	
31 December 2019				
No credit terms	–	9,388	–	No
Not past due	1.12	37,844	422	No
Past due 0 – 30 days	3.20	6,933	222	No
Past due 31 – 180 days	10.99	9,746	1,071	No
Past due 181 – 365 days	20.25	4,228	856	Yes
More than one year	72.70	4,799	3,489	Yes
		72,938	6,060	

Company	Weighted average loss rate %	Gross carrying amount $'000	Impairment loss allowance $'000	Credit impaired
31 December 2020				
Not past due	0.70	15,943	111	No
Past due 0 – 30 days	2.44	18,992	463	No
Past due 31 – 180 days	9.60	5,659	543	No
Past due 181 – 365 days	42.90	331	142	Yes
More than one year	62.22	1,252	779	Yes
		42,177	2,038	
31 December 2019				
Not past due	4.10	8,486	348	No
Past due 0 – 30 days	5.84	2,190	128	No
Past due 31 – 180 days	16.50	3,175	524	No
Past due 181 – 365 days	16.97	1,874	318	Yes
More than one year	56.68	2,186	1,239	Yes
		17,911	2,557	

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Year ended 31 December 2020

17 Financial instruments (cont'd)

The ECLs on trade receivables are estimated using an allowance matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. Management believes that there is no indication that any macro-economic factor will have a significant direct and immediate impact on the credit quality of its receivables. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the allowance matrix.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Movements in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group	Company
	Lifetime ECL	Lifetime ECL
	$'000	$'000
At 1 January 2019	5,915	2,342
Impairment loss recognised	2,085	1,370
Impairment loss utilised	(1,940)	(1,155)
At 31 December 2019	6,060	2,557
At 1 January 2020	6,060	2,557
Impairment loss recognised	1,916	138
Impairment loss utilised	(2,427)	(657)
At 31 December 2020	5,549	2,038

Other receivables, staff loans and deposits (Group and Company)

Impairment on deposits has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. Other receivables are considered to have low credit risk as they are not due for payment at the end of reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. The amount of the allowance on other receivables was negligible.

Amounts due from subsidiaries (Company) (note 8 and note 26)

Impairment on the amounts due from subsidiaries has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant as none of the amounts due from subsidiaries at the end of the reporting period is past due and there has been no significant increase in the risk of default on these balances since initial recognition.

Cash and cash equivalents (Group and Company)

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The cash and cash equivalents are held with bank and financial institution counterparties which are rated BB- to AA-, based on rating agency Standard & Poor's ratings. The amount of the allowance on cash and cash equivalents was negligible.

Notes to the Financial Statements

Year ended 31 December 2020

17 Financial instruments (cont'd)

Liquidity risk

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

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

The Group has adequate undrawn unsecured credit facilities to meet its future operating activities and to finance and support the Group's contractual commitments.

The Group has contractual commitments to complete the development of the Raffles Hospital Shanghai Project and Raffles Hospital Chongqing Project (see note 24).

Exposure to liquidity risk

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

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000
Group					
31 December 2020					
Non-derivative financial liabilities					
Unsecured bank loans	171,060	(184,033)	(33,708)	(150,325)	–
Other financial liabilities	2,705	(2,705)	(2,705)	–	–
Trade and other payables*	222,483	(223,762)	(187,852)	(35,910)	–
Lease liabilities	33,833	(35,008)	(12,093)	(22,160)	(755)
	430,081	(445,508)	(236,358)	(208,395)	(755)
31 December 2019					
Non-derivative financial liabilities					
Unsecured bank loans	165,101	(174,337)	(12,331)	(162,006)	–
Other financial liabilities	2,754	(2,754)	(2,754)	–	–
Trade and other payables*	182,820	(183,467)	(162,541)	(20,926)	–
Lease liabilities	35,275	(36,648)	(11,350)	(25,298)	–
	385,950	(397,206)	(188,976)	(208,230)	–

* Excludes deferred income

Notes to the Financial Statements
Year ended 31 December 2020

17 Financial instruments (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Between 1 and 5 years $'000
Company				
31 December 2020				
Non-derivative financial liabilities				
Unsecured bank loans	56,433	(56,583)	(8,670)	(47,913)
Trade and other payables*	91,485	(91,485)	(88,502)	(2,983)
Lease liabilities	1,228	(1,256)	(647)	(609)
	149,146	(149,324)	(97,819)	(51,505)
31 December 2019				
Non-derivative financial liabilities				
Unsecured bank loans	56,255	(56,623)	(8,709)	(47,914)
Trade and other payables*	48,333	(48,333)	(47,176)	(1,157)
Lease liabilities	3,217	(3,312)	(1,241)	(2,071)
	107,805	(108,268)	(57,126)	(51,142)

* Excludes deferred income

Market risk

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

Currency risk

The Group is exposed to currency risk on borrowings and inter-company balances that are denominated in currencies other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are the Euro (EUR), Hong Kong dollar (HK$), US dollar (US$), Japanese Yen (JPY), Singapore dollar (S$) and Chinese Yuan (CNY).

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

Notes to the Financial Statements
Year ended 31 December 2020

17 Financial instruments (cont'd)

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	EUR $'000	HK$ $'000	US$ $'000	JPY $'000	S$ $'000	CNY $'000
Group						
31 December 2020						
Trade and other receivables	–	–	124	–	–	145
Cash and cash equivalents	–	–	1,406	–	7	29
Trade and other payables	(395)	–	(2,056)	–	–	–
Amount owing (to)/from subsidiaries (net)	–	(345)	(8,232)	3,347	712	–
Loans and borrowings	–	(6,734)	–	(1,851)	–	–
	(395)	(7,079)	(8,758)	1,496	719	174

	EUR $'000	HK$ $'000	US$ $'000	JPY $'000	S$ $'000	CNY $'000
Group						
31 December 2019						
Trade and other receivables	–	–	778	–	84	21
Cash and cash equivalents	–	–	1,879	–	32	139
Trade and other payables	(376)	–	(3,116)	–	–	–
Amount owing (to)/from subsidiaries (net)	–	(2,600)	775	3,505	(4,347)	650
Loans and borrowings	–	(6,706)	–	(1,778)	–	–
	(376)	(9,306)	316	1,727	(4,231)	810

	HK$ $'000	US$ $'000	JPY $'000	CNY $'000
Company				
31 December 2020				
Cash and cash equivalents	–	–	–	–
Amount owing (to)/from subsidiaries (net)	–	–	1,851	–
Loans and borrowings	(6,734)	–	(1,851)	–
	(6,734)	–	–	–
31 December 2019				
Cash and cash equivalents	–	854	–	137
Amount owing (to)/from subsidiaries (net)	–	–	1,778	–
Loans and borrowings	(6,706)	–	(1,778)	–
	(6,706)	854	–	137

Notes to the Financial Statements

Year ended 31 December 2020

17 Financial instruments (cont'd)

Sensitivity analysis

A 10% strengthening of the following major currencies against the functional currency of each of the Group's entities would increase/(decrease) profit or loss by the amounts shown below. Similarly, a 10% weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2020 $'000	2019 $'000
Group		
EUR	(40)	(38)
HK$	(708)	(931)
US$	(876)	32
JPY	150	173
S$	72	(423)
CNY	17	81
Company		
HK$	(673)	(671)
US$	–	85
CNY	–	14

Interest rate risk

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

Managing interest rate benchmark reform

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition in some jurisdictions that the Group operates in. In Singapore, the fundamental review and reform of the two key Singapore Dollar interest rate benchmarks that are widely referenced in financial contracts, namely Singapore interbank offered rates (SIBORs) and Singapore swap offer rates (SORs), and the transition from SOR to the Singapore Overnight Rate Average (SORA), is also ongoing. The Group anticipates that IBOR reform will impact its risk management.

Notes to the Financial Statements

Year ended 31 December 2020

17 Financial instruments (cont'd)

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	Group		Company	
	Nominal amount		Nominal amount	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Fixed rate instruments				
Financial assets	158,361	99,718	97,959	45,689
Financial liabilities	(42,417)	(43,759)	(9,812)	(11,701)
Loan due to subsidiary's non-controlling interest	(27,898)	(14,511)	–	–
	88,046	41,448	88,147	33,988
Variable rate instruments				
Financial liabilities	(162,476)	(156,617)	(47,849)	(47,771)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group		Company	
	Profit or loss		Profit or loss	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
31 December 2020				
Variable rate instruments	(1,625)	1,625	(478)	478
31 December 2019				
Variable rate instruments	(1,566)	1,566	(478)	478

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity excluding NCI. The Board also monitors the levels of dividends to ordinary shareholders. In addition, the Board and senior management also monitors the Group's capital adequacy and insurance fund solvency levels against regulatory requirements.

To mitigate exposure to large risks underwritten that can impact the financial strength of the Group, it has put in place robust underwriting guidelines and reinsurance arrangements to control its insurance risk exposure. The Group further stress-tests its financial position and capital adequacy under various stress scenarios to assess its financial stability.

Notes to the Financial Statements

Year ended 31 December 2020

17 Financial instruments (cont'd)

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

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

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

There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements, except for Raffles Health Insurance Pte Ltd which is required to comply with the regulatory capital requirement prescribed under the Singapore Insurance Act. Under the Risk-based Capital Framework regulation set by the Monetary Authority of Singapore (MAS), insurance companies are required to satisfy minimum prescribed capital adequacy ratio (CAR) and fund solvency ratio (FSR).

Notes to the Financial Statements

Year ended 31 December 2020

17 Financial instruments (cont'd)

Accounting classifications and fair values

Fair values versus carrying amounts

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

		Carrying amount			Fair value			
	Note	Amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group								
31 December 2020								
Financial assets not measured at fair value								
Trade and other receivables #	8	114,056	–	114,056				
Cash and cash equivalents	9	203,114	–	203,114				
		317,170	–	317,170				
Financial liabilities not measured at fair value								
Loans and borrowings	12	–	(171,060)	(171,060)	–	(171,164)	–	(171,164)
Trade and other payables*	13	–	(222,483)	(222,483)				
Other financial liabilities	15	–	(2,705)	(2,705)	–	–	(2,705)	(2,705)
		–	(396,248)	(396,248)				

\# Excludes prepayments
* Excludes deferred income

17 Financial instruments (cont'd)

	Note	Carrying amount			Fair value			
		Amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group								
31 December 2019								
Financial assets not measured at fair value								
Trade and other receivables #	8	84,995	–	84,995				
Cash and cash equivalents	9	151,826	–	151,826				
		236,821	–	236,821				
Financial liabilities not measured at fair value								
Loans and borrowings	12	–	(165,101)	(165,101)	–	(165,334)	–	(165,334)
Trade and other payables*	13	–	(182,820)	(182,820)				
Other financial liabilities	15	–	(2,754)	(2,754)	–	–	(2,754)	(2,754)
		–	(350,675)	(350,675)				

Excludes prepayments
* Excludes deferred income

Notes to the Financial Statements

Year ended 31 December 2020

17 Financial instruments (cont'd)

	Note	Carrying amount			Fair value			
		Amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company								
31 December 2020								
Financial assets not measured at fair value								
Trade and other receivables #	8	182,776	–	182,776				
Cash and cash equivalents	9	99,915	–	99,915				
Amounts due from subsidiaries	26	566,105	–	566,105	–	–	566,105	566,105
		848,796	–	848,796				
Financial liabilities not measured at fair value								
Loans and borrowings	12	–	(56,433)	(56,433)	–	(56,498)	–	(56,498)
Trade and other payables*	13	–	(91,485)	(91,485)				
		–	(147,918)	(147,918)				
31 December 2019								
Financial assets not measured at fair value								
Trade and other receivables #	8	141,713	–	141,713				
Cash and cash equivalents	9	47,621	–	47,621				
Amounts due from subsidiaries	26	557,972	–	557,972	–	–	557,972	557,972
		747,306	–	747,306				
Financial liabilities not measured at fair value								
Loans and borrowings	12	–	(56,255)	(56,255)	–	(56,396)	–	(56,396)
Trade and other payables*	13	–	(48,333)	(48,333)				
		–	(104,588)	(104,588)				

Excludes prepayments
* Excludes deferred income

Notes to the Financial Statements

Year ended 31 December 2020

17 Financial instruments (cont'd)

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring level 2 and level 3 fair values.

Financial instrument not measured at fair value

Type	Valuation techniques
Group and Company	
Other financial liabilities – put options	*Discounted cash flow: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate*
Non-current loans and borrowings	*The carrying amounts of floating interest bearing loans, which are repriced within 1 month from the reporting date, reflect the corresponding fair values.*

Other financial assets and liabilities

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

Transfer between fair values hierarchies

There was no transfer between the fair value hierarchies during the financial year.

Level 3 fair values

The following table shows a reconciliation from the opening balances to the ending balances for level 3 fair values:

Group	Put options $'000
At 1 January 2019	2,790
Changes in exercise price of written put options	(36)
At 31 December 2019	2,754
Changes in exercise price of written put options	(49)
At 31 December 2020	2,705

Notes to the Financial Statements

Year ended 31 December 2020

18 Revenue

	Group	
	2020 $'000	2019 $'000
Revenue from contracts with customers	561,214	513,825
Rental income	6,989	8,213
	568,203	522,038

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Healthcare services

Nature of goods or services

The healthcare services segment of the Group principally generates revenue from operations of medical clinics and other general medical services, provision of health insurance, trading in pharmaceutical and nutraceutical products and diagnostic equipment, and provision of management and consultancy services.

When revenue is recognised

Where contracts relate to provision of medical services, management and consulting services, revenue is recognised in the accounting period in which the services are rendered.

Where contracts relate to provision of health insurance, revenue is recognised over the premium period.

Where contracts relate to trading in pharmaceutical and nutraceutical products and diagnostic equipment, revenue is recognised when goods are delivered to the customers and all criteria for acceptance have been satisfied.

Significant payment terms

Invoices are issued upon completion of services or/and delivery of goods.

Payment terms for respective revenue are as follows:

- Provision of medical services, management and consulting services: payment is due upon completion of service
- Provision of health insurance: payment is due when invoices are issued
- Trading in pharmaceutical and nutraceutical products and diagnostic equipment: customers are usually given a credit term ranges from 30 to 90 days from invoice date

Hospital services

Nature of goods or services

The hospital services segment of the Group principally generates revenue from provision of specialised medical services, inpatient services and business of medical laboratory and imaging centre. Services may be sold separately or in bundled packages. For the bundled contract, the Group accounts for individual services separately if they are distinct, i.e. if a service is separately identifiable from other items in the bundled package and if a patient can benefit from it.

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Year ended 31 December 2020

18 Revenue (cont'd)

When revenue is recognised

Revenue is recognised in the accounting period in which the services are rendered.

The consideration for bundled package is allocated to the separate services based on their relative stand-alone selling prices. The stand-alone selling prices are determined based on individual prices that the Group would have charged if the services were contracted for separately.

Significant payment terms

Invoices are issued upon discharge of patients from the hospital. Payment is due when invoice is issued.

For risk management, a portion of the contract consideration is received upfront in the form of deposit for inpatients, and the remaining consideration is received from customers upon issuance of invoices. As such, no financing component has been recognised as the payment terms are for reasons other than financing.

19 Other operating income

The following items have been included in other operating income:

	Group	
	2020	**2019**
	$'000	**$'000**
Government grants income	25,379	-
Employment related supports	2,690	537

Government grants income relates mainly to COVID-19 relief measures and support which comprise mainly of Job Support Scheme grants and Property tax rebates. For government grant that was passed down to external parties, the Group recognised grant expense in profit or loss during the year and presented in 'other operating expenses'.

Employment related supports comprise of Wage Credit Scheme, Foreign Worker Levy rebates and other employment related subsidies.

Notes to the Financial Statements

Year ended 31 December 2020

20 Profit for the year

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

	Group	
	2020 $'000	2019 $'000
Recovery of bad debts	(1,218)	(933)
Changes in fair value in investment properties	4,502	(2,128)
Contributions to defined contribution plans	20,205	17,530
Loss / (Gain) on disposal of property, plant and equipment, net	9	(30)
Write-off for stock obsolescence	891	150
Interest expense:		
- bank loans	4,364	1,501
- subsidiary's non-controlling interest	75	-
- lease liabilities	714	440
Interest income	(1,150)	(1,697)
Audit fees paid to:		
- auditors of the Company	203	211
- other auditors	154	83
Non-audit fees paid to:		
- auditors of the Company	40	53
- other auditors	2	1
Property, plant and equipment written-off	1,547	173
Foreign exchange (gain)/loss	(643)	515
Value of employee services received for issue of share options and share awards, included in staff costs	1,617	1,399
Impairment loss on intangible assets and goodwill	3,576	–
Grant expense	1,343	–

21 Tax expense

	Note	Group	
		2020 $'000	2019 $'000
Tax recognised in profit or loss			
Current tax expense			
Current year		18,002	14,586
Adjustment for prior years		(95)	(1,280)
		17,907	13,306
Withholding tax			
Current year		1,038	-
Deferred tax expense			
Movements in temporary differences		903	968
Adjustment for prior years		(79)	1,128
	7	824	2,096
Tax expense		19,769	15,402

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Year ended 31 December 2020

21 Tax expense (cont'd)

	Group	
	2020 $'000	**2019 $'000**
Reconciliation of effective tax rate		
Profit before tax	84,439	75,924
Tax using the Singapore tax rate of 17% (2019: 17%)	14,355	12,907
Effect of tax rates in foreign jurisdiction	(2,452)	(1,189)
Non-deductible expenses	3,500	1,833
Tax exempt income	(4,383)	(634)
Tax incentives	(18)	(174)
Withholding tax	1,038	-
Tax effect of unrecognised tax losses	8,902	4,779
Utilisation of tax losses	(705)	(1,138)
Over provision in respective of prior years	(174)	(152)
Others	(294)	(830)
	19,769	15,402

The Group intends to utilise the unabsorbed tax losses and capital allowances of $ Nil (2019: $3,798,000) of other subsidiaries in Singapore under the group relief system, subject to compliance with the relevant rules and procedures and agreement of Inland Revenue Authority of Singapore.

22 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 December 2020 was based on the profit attributable to ordinary shareholders of $65,891,000 (2019: $60,273,000), and a weighted-average number of ordinary shares outstanding of 1,839,095,915 (2019: 1,813,326,091), calculated as follows:

Profit attributable to ordinary shareholders

	Group	
	2020 $'000	**2019 $'000**
Profit attributable to ordinary shareholders	65,891	60,273

Weighted-average number of ordinary shares

	Group	
	2020 No. of shares '000	**2019 No. of shares '000**
Issued ordinary shares at beginning of the year	1,828,259	1,797,174
Effect of own shares held	(400)	(188)
Effect of scrip dividend shares issued	10,278	15,203
Effect of share options exercised	959	1,137
Weighted average number of ordinary shares during the year	1,839,096	1,813,326

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Year ended 31 December 2020

22 Earnings per share (cont'd)

Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2020 was based on profit attributable to ordinary shareholders of $65,891,000 (2019: $60,273,000), and a weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 1,840,374,386 (2019: 1,815,814,937), calculated as follows:

Profit attributable to ordinary shareholders (diluted)

	Group	
	2020 $'000	**2019 $'000**
Profit attributable to ordinary shareholders	65,891	60,273

Weighted-average number of ordinary shares

	Group	
	2020 No. of shares '000	**2019 No. of shares '000**
Weighted average number of ordinary share (basic)	1,839,096	1,813,326
Potential ordinary shares issuable under share options/share awards	1,278	2,489
Weighted average number of ordinary shares (diluted) during the year	1,840,374	1,815,815

At 31 December 2020, 69,246,000 (2019: 63,096,000) options were excluded from the diluted weighted-average number of ordinary shares calculation as their effect would have been anti-dilutive.

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

23 Operating segments

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

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

Notes to the Financial Statements

Year ended 31 December 2020

23 Operating segments (cont'd)

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

Inter-segment pricing is determined on mutually agreed terms.

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

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

Notes to the Financial Statements

Year ended 31 December 2020

23 Operating segments (cont'd)

Information about reportable segments

	Healthcare services		Hospital services		Investment holdings		Total	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Revenue and expenses								
Revenue	281,265	238,718	312,795	306,434	32,743	33,724	626,803	578,876
Inter-segment revenue	3,146	3,808	29,169	26,775	26,285	26,255	58,600	56,838
Finance expenses	(996)	(832)	(24)	(21)	(4,133)	(1,088)	(5,153)	(1,941)
Depreciation and amortisation	(16,747)	(13,039)	(9,087)	(7,733)	(163)	(185)	(25,997)	(20,957)
Reportable segment profit before tax	31,492	13,812	49,695	48,379	11,488	22,036	92,675	84,227
Other material non-cash items:								
- Impairment losses on intangible assets and goodwill	(3,551)	-	(25)	-	-	-	(3,576)	-
- Impairment losses on trade receivable	(328)	(1,621)	(1,424)	(461)	(164)	(3)	(1,916)	(2,085)
Reportable segment assets	1,027,838	908,111	249,317	214,302	957,316	926,249	2,234,471	2,048,662
Capital expenditure	20,640	23,938	9,116	22,348	36,191	92,653	65,947	138,939
Reportable segment liabilities	277,629	217,160	159,565	141,495	750,531	786,627	1,187,725	1,145,282

Notes to the Financial Statements

Year ended 31 December 2020

23 Operating segments (cont'd)

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

	2020 $'000	2019 $'000
Revenues		
Total revenue for reportable segments	626,803	578,876
Elimination of inter-segment revenue	(58,600)	(56,838)
Consolidated revenue	568,203	522,038
Profit or loss before tax		
Total profit for reportable segments	92,675	84,227
Elimination of inter-segment profits / Consolidation adjustment	1,262	-
Adjustment for depreciation of property, plant and equipment and amortisation of intangible assets	(9,498)	(8,303)
Consolidated profit before tax	84,439	75,924
Assets		
Total assets for reportable segments	2,234,471	2,048,662
Elimination of inter-segment assets	(831,407)	(765,005)
Unallocated amounts-current tax and deferred tax assets	1,070	1,165
Consolidated total assets	1,404,134	1,284,822
Liabilities		
Total liabilities for reportable segments	1,187,725	1,145,282
Elimination of inter-segment liabilities	(728,357)	(738,723)
Unallocated amounts-current tax and deferred tax liabilities	30,369	21,409
Consolidated total liabilities	489,737	427,968

Other material items

	Reportable segment totals $'000	Adjustments $'000	Consolidated totals $'000
31 December 2020			
Depreciation and amortisation	25,997	9,498	35,495
31 December 2019			
Depreciation and amortisation	20,957	8,303	29,260

The Group's properties at Raffles Holland V, Raffles Hospital, Raffles Specialist Centre and Raffles Hospital Chongqing are owned by its subsidiaries and classified as investment properties in the subsidiaries' standalone financial statements. In accordance with the Group's accounting policies, investment property is measured at fair value and not depreciated.

For the preparation of the consolidated financial statements, a portion of these properties are reclassified from investment properties to property, plant and equipment as these properties are used in the supply of medical services by the Group. Accordingly, the carrying values of these properties are depreciated over their useful lives in the consolidated financial statements of the Group.

Notes to the Financial Statements

Year ended 31 December 2020

23 Operating segments (cont'd)

The amount of $9,498,000 (2019: $8,303,000) relates to the depreciation of these properties for the year ended 31 December 2020.

Geographical information

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

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

	Group	
	2020 $'000	2019 $'000
Revenue		
Singapore	518,037	462,245
Greater China	34,292	40,021
Rest of Asia	15,874	19,772
Consolidated revenue	568,203	522,038
Non-current assets		
Singapore	696,045	712,489
Greater China	363,944	312,866
Rest of Asia	8,660	8,844
Consolidated non-current assets*	1,068,649	1,034,199

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

Major customer

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

24 Commitments and contingent liabilities

At 31 December 2020, commitments contracted but not provided for by the Group in the financial statements amounted to $45,699,000 (2019: $51,726,000). This mainly relates to properties development expenditure for Raffles Hospital Shanghai Project and Raffles Hospital Chongqing Project.

In 2016, the Group pledged to donate $1,000,000 to the National Kidney Foundation (NKF) to set up Raffles NKF Renal Wellness Centre in Raffles Hospital. The Group donated $400,000 to NKF in 2017. The Group has in 2016, also committed to donate $4,000,000 by awarding 40 university scholarships over the next five years of which $731,000 has been disbursed as at 31 December 2020.

Notes to the Financial Statements
Year ended 31 December 2020

25 Transactions with key management personnel

Key management personnel compensation

In addition to their salaries, the Group also provides non-cash benefits to directors and executives.

Key management personnel participate in the Raffles Medical Group (2020) Share Option Scheme and Raffles Medical Group (2020) Performance Share Plan. 3,000,000 (2019: 2,325,000) share options and 132,000 (2019: Nil) share awards were received by the key management personnel of the Company during the year. The share options and share awards that were granted during the year were on the same terms and conditions as those offered to other employees of the Company as described in note 11. At the reporting date, 8,357,000 (2019: 9,617,000) of the share options and 132,000 (2019: Nil) of share awards granted to the directors of the Company were outstanding.

Key management personnel compensation comprised:

	Group	
	2020 $'000	2019 $'000
Short-term employee benefits	12,527	11,515
Directors' fees	595	722
Share-based benefits	429	391
	13,551	12,628

26 Subsidiaries

	Company	
	2020 $'000	2019 $'000
Investments in subsidiaries	44,650	43,803
Amounts due from subsidiaries	566,105	557,972
	610,755	601,775

The amounts due from subsidiaries are unsecured, interest-free and not due within the next 12 months. There is no impairment loss arising from these outstanding balances as ECL is not material. The Company's exposure to credit risk and impairment losses is disclosed in note 17.

Details of subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group 2020 %	Effective equity interest held by the Group 2019 %
[1] Raffles Hospital Pte Ltd	Provision of general and specialised medical services and operation of a hospital	Singapore	100	100

Notes to the Financial Statements

Year ended 31 December 2020

26 Subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group 2020 %	2019 %
[1] Raffles Diagnostica Pte Ltd	Operation of medical laboratory and imaging centre	Singapore	100	100
[1] Raffles Medical Properties Pte Ltd and its subsidiaries:	Property owner and investment holding	Singapore	100	100
[1] Raffles Hospital Properties Pte Ltd	Property owner	Singapore	100	100
[1] MP Clementi Pte Ltd	Investment holding	Singapore	100	100
[1] RM Network Pte Ltd	Management consultancy services for healthcare organisations	Singapore	100	100
[1] Raffles Research Labs Pte Ltd	Research & experimental development on Biotechnology, Life & Medical Science	Singapore	100	100
[1] Raffles Chinese Medicine Pte Ltd	Provision of general medical services, acupuncture and acupressure	Singapore	100	100
[1] Raffles Japanese Clinic Pte Ltd and its subsidiaries:	Operation of medical clinics, provision of medical services and investment holding	Singapore	80	80
[2] RJC Ltd and its subsidiaries:	Investment holding	Japan	80	80
[2] RSM Ltd and its subsidiary:	Provision of medical support and consultancy services	Japan	40.8	40.8
[2] Zui Wa Kai Medical Corporation	Operation of medical clinics and provision of medical services	Japan	– [14]	– [14]
[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

Notes to the Financial Statements

Year ended 31 December 2020

26 Subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group 2020 %	Effective equity interest held by the Group 2019 %
[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
[12] 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	–
[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
[5] Shanghai Ruihe Clinic Co.Ltd	Operation of medical clinics and provision of medical services	China	– [14]	– [14]
[6] Dalian Jin Pu New District Anshen Clinic	Operation of medical clinics and provision of medical services	China	– [14]	– [14]

Notes to the Financial Statements

Year ended 31 December 2020

26 Subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group 2020 %	2019 %
[6] Nanjing Lai Ning Clinic	Operation of medical clinics and provision of medical services	China	– [14]	– [14]
[13] Tianjin Lai Ning Clinic	Operation of medical clinics and provision of medical services	China	– [14]	– [14]
[2] Shenzhen Lai Ning Clinic	Operation of medical clinics and provision of medical services	China	– [14]	– [14]
[2] Shenzhen ShenAn Clinic	Operation of medical clinics and provision of medical services	China	– [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]
[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] Beijing Raffles Medical International Clinic Co., Ltd (fka Beijing International (SOS) Clinic)	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
[11] Tianjin International (SOS) Clinic	Provides medical services through operation of medical clinics	China	80	80

Notes to the Financial Statements

Year ended 31 December 2020

26 Subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group 2020 %	2019 %
[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
[1] Raffles Medical China Pte Ltd and its subsidiaries:	Investment holding and provision of medical services and hospital operation	Singapore	100	100
[2] Shenzhen Investments Pte Ltd	Investment holding (dormant)	Singapore	100	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

Notes to the Financial Statements
Year ended 31 December 2020

26 Subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group 2020 %	2019 %
[1] Nicoll Consultancy Pte. Ltd.	Provision of management consultancy services for healthcare organisations	Singapore	100	100
[1] Scotts Capital Pte. Ltd. and its subsidiary:	Investment holding	Singapore	100	100
[2] Scotts Consultancy Pte. Ltd.	Provision of management consultancy services for healthcare organisations	Singapore	100	100

[1] *Audited by KPMG LLP, Singapore*
[2] *Not required to be audited*
[3] *Shares of this subsidiary are partially held in trust by a director of the subsidiary*
[4] *Audited by Lawrence Cheung C.P.A. Company Limited, Hong Kong*
[5] *Audited by Shanghai Deking Certified Public Accountants Co., Ltd*
[6] *Audited by BeiJing Zimp Certified Public Accountants Co., Ltd*
[7] *Audited by BDO China Shu Lun Pan Certified Public Accountants LLP*
[8] *Audited by WongGa Partners Certified Public Accountants (SZ) General Partners*
[9] *Audited by KPMG Limited, Ho Chi Minh City*
[10] *Audited by BDO (Cambodia) Limited*
[11] *Audited by Tianjin Zhongqihua Certified Public Accountants Co., Ltd for 2019. Not required to be audited for 2020.*
[12] *Not required to be audited for 2019. Audited by BDO China Shu Lun Pan Certified Public Accountants LLP for 2020.*
[13] *Not required to be audited for 2019. Audited by BeiJing Zimp Certified Public Accountants Co., Ltd for 2020.*
[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.

Notes to the Financial Statements

Year ended 31 December 2020

26 Subsidiaries (cont'd)

Non-controlling interests in subsidiaries

The following subsidiaries have non-controlling interests (NCI) that are material to the Group.

Name	Principal places of business/ Country of incorporation	Ownership interests held by NCI	
		2020	2019
Raffles Japanese Clinic Pte Ltd (RJC)	Singapore	20%	20%
International SOS (MC Holdings) Pte Ltd (MCH)	Singapore	20%	20%
Shanghai Qihua Hospital Co. Ltd (SQH)	China	30%	30%

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

	RJC $'000	MCH $'000	SQH $'000	Other individually immaterial subsidiaries $'000	Intra-group elimination $'000	Total $'000
2020						
Revenue	14,627	27,838	–			
Profit/(Loss)	249	(7,361)	(33)			
Other comprehensive income (OCI)	–	63	2,459			
Total comprehensive income	249	(7,298)	2,426			
Attributable to NCI:						
- Profit/(Loss)	50	(1,472)	(10)	212	(1)	(1,221)
- OCI	–	12	738	(89)	–	661
- **Total comprehensive income**	50	(1,460)	728	123	(1)	(560)
Non-current assets	949	25,092	154,692			
Current assets	18,067	14,852	10,487			
Non-current liabilities	(133)	(9,882)	(100,022)			
Current liabilities	(5,091)	(35,506)	(11,096)			
Net assets/(liabilities)	13,792	(5,444)	54,061			
Net assets attributable to NCI	2,758	(1,089)	16,218	(2,362)	(124)	15,401
Cash flows (used in)/from operating activities	(11)	7,047	(2,467)			
Cash flows from/(used in) investing activities	144	(12,411)	(33,640)			
Cash flows from financing activities	–	–	25,634			
Net increase/(decrease) in cash and cash equivalents	133	(5,364)	(10,473)			

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Year ended 31 December 2020

26 Subsidiaries (cont'd)

	RJC $'000	MCH $'000	SQH $'000	Other individually immaterial subsidiaries $'000	Intra-group elimination $'000	Total $'000
2019						
Revenue	19,074	36,901	–			
Profit/(Loss)	835	(201)	(3)			
Other comprehensive income (OCI)	–	(87)	(1,363)			
Total comprehensive income	835	(288)	(1,366)			
Attributable to NCI:						
- Profit/(Loss)	167	(40)	(1)	136	(13)	249
- OCI	–	(17)	(409)	1	–	(425)
- **Total comprehensive income**	167	(57)	(410)	137	(13)	(176)
Non-current assets	1,104	19,234	122,713			
Current assets	18,101	18,853	17,574			
Non-current liabilities	(163)	(11,776)	(70,675)			
Current liabilities	(5,520)	(24,462)	(17,977)			
Net assets	13,522	1,849	51,635			
Net assets attributable to NCI	2,704	370	15,491	(2,485)	(119)	15,961
Cash flows from/(used in) operating activities	1,549	4,052	(3,989)			
Cash flows from/(used in) investing activities	1,711	(1,514)	(41,897)			
Cash flows from financing activities	–	–	51,440			
Net increase in cash and cash equivalents	3,260	2,538	5,554			

27 Dividends

After the respective reporting dates, the directors proposed a one-tier tax exempt final dividend of 2.00 cents (2019: 2.00 cents) per share amounting approximately to $37,287,000 (2019: $36,557,000), which is based on the number of shares outstanding as at the end of the financial year. The dividends have not been provided for and there are no income tax consequences.