caring as

one

in Asia

RafflesMedicalGroup

ANNUAL REPORT 2023

Contents

COMPASSION

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

COMMITMENT

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

EXCELLENCE

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

TEAM-BASED CARE

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

VALUE

We seek always to create and deliver value for you.

About Raffles Medical Group

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

A proudly Singaporean brand, RMG is listed on the mainboard of the Singapore stock exchange (SGX: BSL) and operates in 14 cities in five countries in Asia. This network includes four hospitals and over 100 multi-disciplinary clinics, offering services such as health screening, specialist care, diagnostic radiology, dental, and traditional Chinese medicine. Together with about 2,900 employees, RMG brings more than 47 years of trusted healthcare expertise and care to over 2.8 million patients annually across our network as their trusted partner for health. For more information, please visit rafflesmedicalgroup.com.

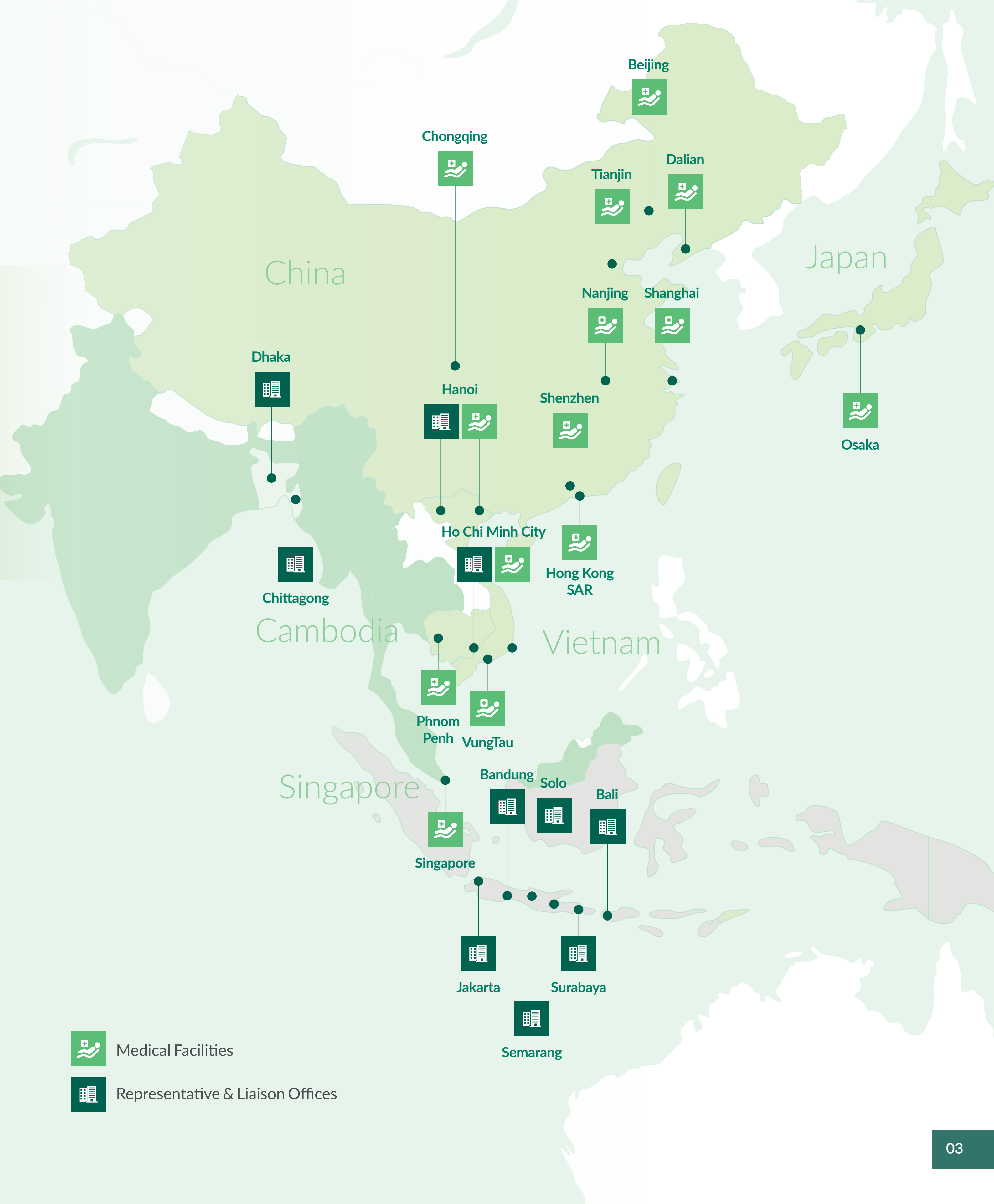
Our Network

14 cities / 5 countries

Trusted Healthcare Expertise

47 years

LOCATION AND MARKETS



Medical Facilities

Representative & Liaison Offices

AT A GLANCE

About

2,900

employees

More than

460

multi-specialty physicians

More than

100

multi-disciplinary clinics

Over

30

disciplines

Over

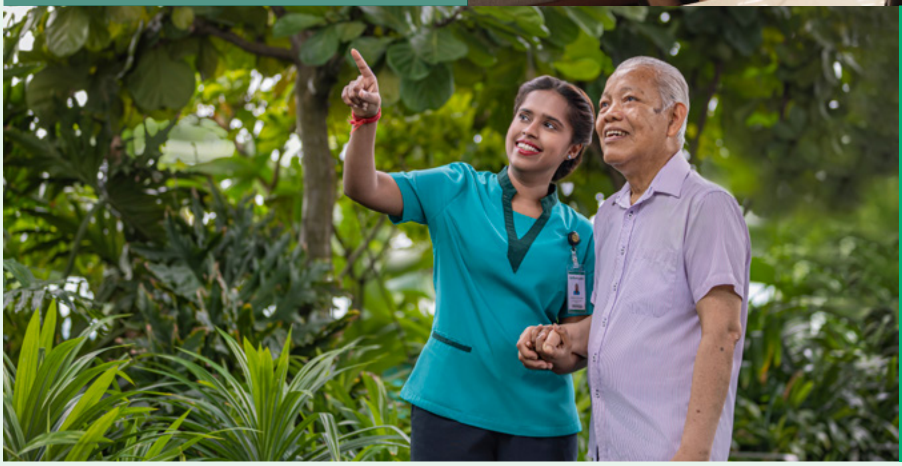
1,500

physicians, nurses and allied healthcare professionals

More than

7,000

corporate clients



2,800,000

Patients and growing

Our Journey Towards Total Healthcare

1976 - 1982

1976
Founders Dr Loo Choon Yong and Dr Alfred Loh took over Teng's Clinic.

1980
Relocated to a larger 2,000sq ft unit in Tuan Sing Tower, the name of the practice was also changed to Raffles Medical Group (RMG).

1982
Established its flagship clinic in Straits Trading Building.

1990 - 1995

1990
Following the demand for a reliable dental service, Raffles Denticare was launched.

1992
Raffles Diagnostica was set up to provide laboratory and radiology services.

1993
Raffles SurgiCentre - the first free-standing day surgery centre in Southeast Asia.

1995
First overseas venture – opening of Raffles Medical clinic in Hong Kong, SAR.

1997 - 2005

1997
The first full-fledged healthcare provider to be publicly listed in Singapore.

2000
Opening of RMG's first representative office in Jakarta.

2001
Raffles Hospital commenced operations and was officially opened by then Deputy Prime Minister Mr Lee Hsien Loong in 2002.

2005
Six new Raffles Medical clinics were opened.

2009 - 2013

2009
Raffles Hospital received the Joint Commission International accreditation.

2010
The first Raffles Medical centre in Shanghai was opened.

2012
RMG's insurance arm, International Medical Insurers, was officially renamed as Raffles Health Insurance.

2013
Raffles Healthcare Institute was launched.

2015 - 2018

2015
Official opening of Raffles Medical Centre Orchard.

Raffles Medical Osaka was opened.

2016
Raffles Holland V mall was officially opened.

RMG rebranded its Joint Venture clinics from International SOS to Raffles Medical.

2018
Raffles Specialist Centre began operations in January 2018.

Raffles Hospital became the first trauma accredited private hospital in Singapore.

2019 - 2023

2019
Raffles Hospital in Chongqing was opened.

Integrated healthcare platform, Raffles Connect, was launched to provide teleconsultation services and more.

2020
Raffles Medical centre in Beijing was converted into a hospital.

2021
Raffles Hospital in Shanghai commenced operations.

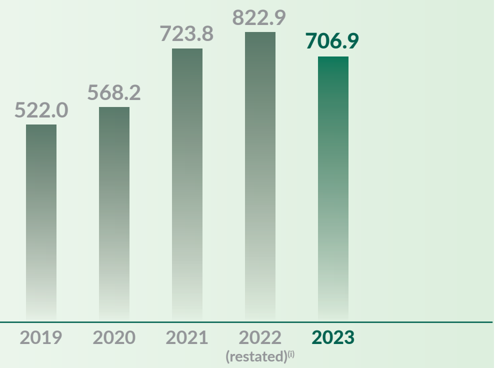
2023
RMG entered into a strategic partnership and management agreement on American International Hospital in Ho Chi Minh City.

Financial Highlights

Group Revenue ($ million)

706.9

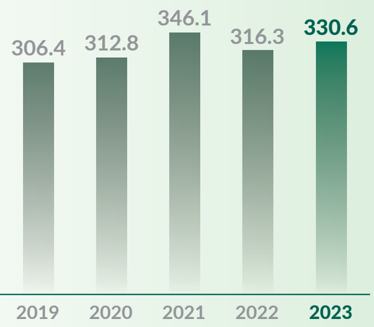
▼ 14.1%



Hospital Services Division ($ million)

330.6

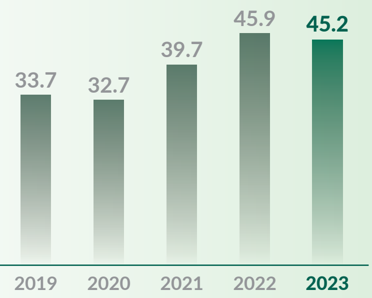
▲ 4.5%



Investment Holdings Division ($ million)

45.2

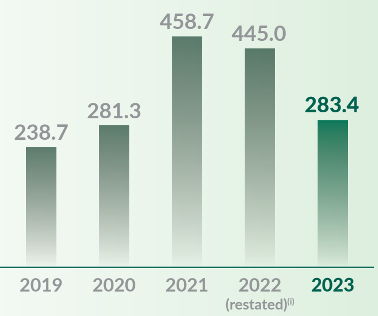
▼ 1.4%



Healthcare Services Division ($ million)

283.4

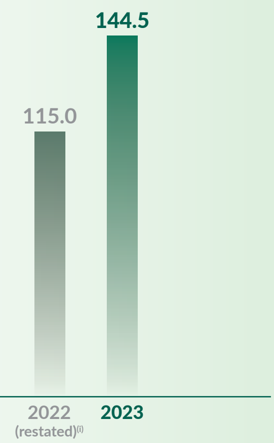
▼ 36.3%



Insurance Services Division ($ million)

144.5

▲ 25.6%



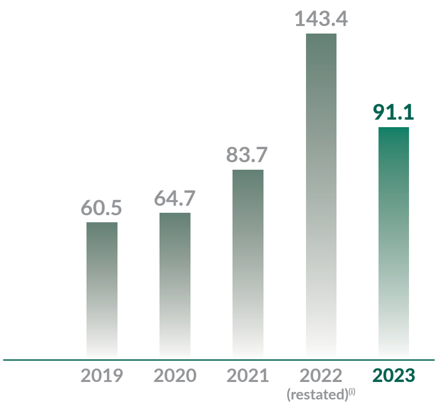
* Final dividend of 2.40 cents is subject to approval by shareholders at the Annual General Meeting in 2024.

(i) 2022 figures had been restated, where applicable, to reflect the impact of the adoption of Singapore Financial Reporting Standards (International) 17 Insurance Contracts (SFRS(I) 17) on 1 January 2023.

PAT ($ million)

91.1

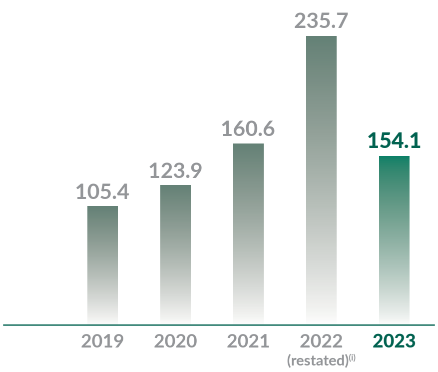
▼ 36.5%



EBITDA ($ million)

154.1

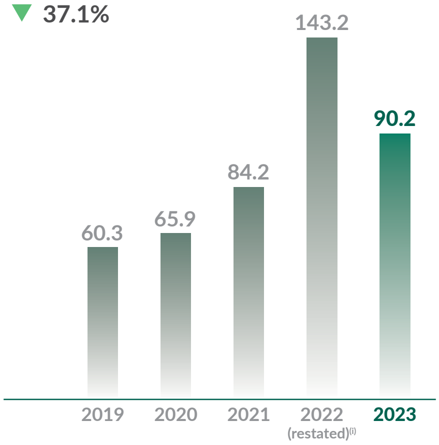
▼ 34.6%



PATMI ($ million)

90.2

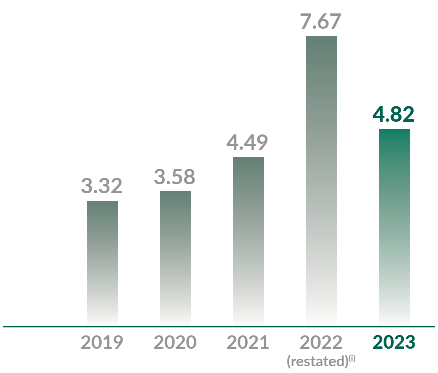
▼ 37.1%



Earnings Per Share (Cents)

4.82

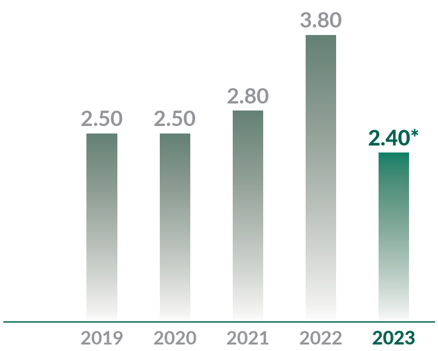
▼ 37.2%



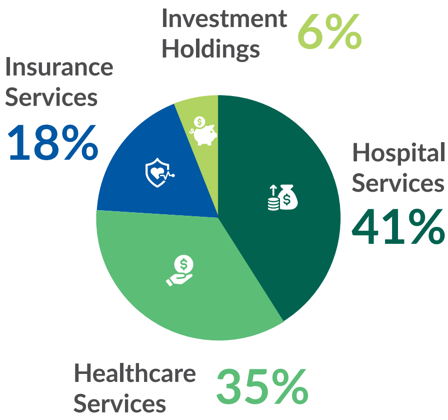
Dividend Per Share (Cents)

2.40*

▼ 36.8%



Revenue Contributed By Segment



	2019 $'000	2020 $'000	2021 $'000	2022 $'000 (Restated)(i)	2023 $'000
Revenue	522,038	568,203	723,791	822,916	**706,920**
EBITDA	105,428	123,937	160,632	235,698	**154,107**
Operating Profit	76,168	88,442	121,306	195,451	**115,755**
Profit Before Tax	75,924	84,439	115,584	191,340	**119,439**
PATMI	60,273	65,891	84,171	143,214	**90,150**
Profit After Tax	60,522	64,670	83,716	143,400	**91,090**
Diluted Earnings per Share (cents)	3.32	3.58	4.49	7.67	**4.82**
Net Asset Value per Share (cents)	46.00	48.22	51.43	54.59	**55.34**
Dividend per Share* (cents)	2.50	2.50	2.80	3.80	**2.40***
Return on Equity (%)	7.2	7.3	8.8	14.1	**8.8**

* Final dividend of 2.40 cents is subject to approval by shareholders at the Annual General Meeting in 2024.

(i) 2022 figures had been restated, where applicable, to reflect the impact of the adoption of Singapore Financial Reporting Standards (International) 17 Insurance Contracts (SFRS(I) 17) on 1 January 2023.

Chairman's Message

Group Revenue ($ Million)

706.9m

FY2022: S$822.9m

Profile After Tax ($ Million)

91.1m

FY2022: S$143.4m

Dear Shareholders

This year marks the gradual normalisation of operations as COVID-19 travel restrictions were lifted in most countries the Group operates in. Looking back over these last three years of global pandemic, many worthwhile lessons have been learnt by the Group as well as by governments, corporations, communities, and ordinary people. Hopefully these shared memories and lessons will lead to a greater communitarian spirit amongst people and more caring governments with better public health policies.

The Group has registered a lower Revenue of S$706.9 million and Profit After Tax of S$91.1 million. Compared with pre-COVID-19 FY2019, Revenue and Profit After Tax have both grown well.

With normalisation, more patients are returning to our clinics and hospitals in Singapore, China, and the region. The Group continues to support efforts by the government to keep their hospitals bed availability at an acceptable level to serve the public. We help by providing Transitional Care Facility (TCF) beds to care for patients who need more convalescent care before going home.

The Group continues to support efforts by the government to keep their hospitals bed availability at an acceptable level to serve the public.

Multi-disciplinary healthcare team from Raffles Hospital Singapore.
From left to right: Acting Assistant Nurse Clinician Derek Tham, General Practitioner Dr Precelia Lam, Staff Nurse Celine Go, Endocrinologist Dr Tng Eng Loon, and Radiographer Nadhilah Huda Binte Anuwar.

Expansion

In the year, the Group's Raffles Hospitals in Beijing, Shanghai, Chongqing are receiving more patients for various examinations and treatment. The Raffles Hospital brand is recognised by the Chinese people as a trusted group of physicians and nurses providing compassionate and evidence-based healthcare to our patients.

Today the Group is operating our own medical centres, Raffles Hospitals, telemedicine and cross border healthcare services in 14 cities of Asia. Healthcare opportunities abound in the region and the Group plans to thoughtfully expand our operations to more cities and countries in Asia.

Touching patients' lives by delivering service with an impact.

We will grow to where operating conditions and investment risks are acceptable and where there is genuine demand for our trusted Raffles brand of healthcare.

Challenges and Growth

There are still challenges on the horizon. The slower economic growth in Singapore, China, and other ASEAN countries is one of the concerns. The growing trade barriers together with various geopolitical tensions inform the prudent to be cautious. However, we remain confident that as economies recover and geopolitical tension diminishes, the Group will be able to grow faster. We will grow to where operating conditions and investment risks are acceptable and where there is genuine demand for our trusted Raffles brand of healthcare.

In the year we welcome two new directors to the Board – Mr Lim Sim Seng and Dr Lu Liangjian David. We look forward to their service and contributions to the Group.

Finally, I wish to thank our Board of Directors for their guidance and wise counsel through another year. Our appreciation also goes to our staff – physicians, nurses, healthcare managers, and supporting staff who give of their best to serve our patients with Compassion, Commitment, Excellence, Teamwork, and Value.

Dr Loo Choon Yong
Executive Chairman

Board Of Directors

Information as at 31 December 2023

Dr Loo Choon Yong

age 74

Executive Chairman and Non-Independent Director

Academic and Professional Qualifications

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

Date of first appointment as a Director

16 May 1989

Date of last re-election as a Director

28 April 2023

Length of service as a Director (as at 31 December 2023)

34 years 7 months

Board Committee(s) served on

Nil

Current Directorships in Listed Companies

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

Other Major Appointments

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

Previous Directorships in Other Listed Companies held over the preceding three years (1 January 2021 to 31 December 2023)

Nil

Mr Eric Ang Teik Lim

age 70

Lead Independent Director

Academic and Professional Qualifications

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

Date of first appointment as a Director

24 April 2015

Date of last re-election as a Director

25 April 2022

Length of service as a Director (as at 31 December 2023)

8 years 8 months

Board Committee(s) served on

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

Current Directorships in Listed Companies

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

Other Major Appointments

1. Surbana Jurong Private Limited (Independent Director)

Previous Directorships in Other Listed Companies held over the preceding three years (1 January 2021 to 31 December 2023)

1. Sembcorp Marine Ltd, now known as Seatrium Limited (Non-Executive and Lead Independent Director)

Board Of Directors

Mr Lew Yoong Keong Allen
age 68

Independent Director

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

Date of first appointment as a Director
28 October 2020

Date of last re-election as a Director
26 April 2021

Length of service as a Director (as at 31 December 2023)
3 years 2 months

Board Committee(s) served on
- Audit & Risk Committee (Chairman)

Current Directorships in Listed Companies
1. Raffles Medical Group Ltd (Non-Executive and Independent Director)

Other Major Appointments
1. Certis Cisco Security Pte Ltd (Chairman)
2. Citibank Singapore Limited (Non-Executive and Independent Director)

Previous Directorships in Other Listed Companies held over the preceding three years (1 January 2021 to 31 December 2023)
1. Advanced Info Service Public Company Limited (Non-Executive and Non-Independent Director)

Mr Png Cheong Boon
age 54

Independent Director

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

Date of first appointment as a Director
15 October 2018

Date of last re-election as a Director
25 April 2022

Length of service as a Director (as at 31 December 2023)
5 years 2 months

Board Committee(s) served on
- Nomination & Compensation Committee (Chairman)

Current Directorships in Listed Companies
1. Raffles Medical Group Ltd (Non-Executive and Independent Director)

Other Major Appointments
1. Economic Development Board (Chairman and Board Member)
2. Enterprise Singapore (Board Member)
3. EDBI Pte Ltd (Chairman and Director)
4. EDB Investments Pte Ltd (Chairman and Director)
5. Human Capital Leadership Institute Pte Ltd (Director)
6. National Research Foundation (Board Member)
7. Business China (Director)

Previous Directorships in Other Listed Companies held over the preceding three years (1 January 2021 to 31 December 2023)
Nil

Mr Tan Wern Yuen

age 45

Independent Director

Academic and Professional Qualifications

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

Date of first appointment as a Director

1 July 2021

Date of last re-election as a Director

25 April 2022

Length of service as a Director (as at 31 December 2023)

2 years 6 months

Board Committee(s) served on

- Audit & Risk Committee (Member)

Current Directorships in Listed Companies

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

Other Major Appointments

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

Previous Directorships in Other Listed Companies held over the preceding three years (1 January 2021 to 31 December 2023)

Nil

Ms Chong Chuan Neo

age 61

Independent Director

Academic and Professional Qualifications

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

Date of first appointment as a Director

15 October 2021

Date of last re-election as a Director

25 April 2022

Length of service as a Director (as at 31 December 2023)

2 years 2 months

Board Committee(s) served on

- Nomination & Compensation Committee (Member)

Current Directorships in Listed Companies

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

Other Major Appointments

1. iShine Cloud Limited (Non-Executive and Independent Director)
2. Moda Solutions Ltd (Non-Executive and Independent Director)
3. OCBC Bank (Hong Kong) Limited (Non-Executive and Independent Director)
4. Partners Group Singapore Pte Ltd (Operating Director)

Previous Directorships in Other Listed Companies held over the preceding three years (1 January 2021 to 31 December 2023)

Nil

Professor Sung Jao Yiu

age 64

Independent Director

Academic and Professional Qualifications

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

Date of first appointment as a Director

1 December 2021

Date of last re-election as a Director

25 April 2022

Length of service as a Director (as at 31 December 2023)

2 years 1 month

Board Committee(s) served on

- Nomination & Compensation Committee (Member)

Current Directorships in Listed Companies

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

Other Major Appointments

1. CUHK Medical Centre Limited (Director)
2. National Healthcare Group Pte Ltd (Board Member)
3. Nanyang Technological University, Singapore (Distinguished University Professor)
4. Health & Life Sciences, Nanyang Technological University, Singapore (Senior Vice President)
5. Lee Kong Chian School of Medicine, Nanyang Technological University, Singapore (Dean)
6. Consortium for Clinical Research and Innovation Singapore (CRIS)-PRECISE (Board Oversight Committee)
7. Ministry of Health, National Medical Research Council (NMRC) (Board Member)
8. National Healthcare Group (NHG)-Joint Talent Development Committee (JTDC) (Co-Chairman)
9. Primary Health Care Research in Multimorbidity and NMRC Centre Grant (CG) Mental Health in a Multi-Ethnic Population (PRIME) (Co-Chairman)
10. Ministry of Health, Programme for Research in Epidemic Preparedness and Response (PREPARE) (Member)
11. Ministry of Health (MOH-Medical Student Training Standing Committee (MST-SC) (Committee Member)
12. Ministry of Education (MOE) Singapore Centre of Environmental Life Sciences Engineering (SCELSE) (Member of Governing Board)
13. Nanyang Technological University, Centre for Research and Development in Learning (CRADLE) (Member, Advisory Board)
14. University of Melbourne (Council Member)
15. Dr Stanley Ho Medical Development Foundation (Member, Board of Directors)
16. Wu Zhi Qiao (Bridge to China) Charitable Foundation (Council Member)
17. Journal of Gastroenterology and Hepatology (Chief Editor)
18. Singapore Eye Research Institute (Director)

Previous Directorships in Other Listed Companies held over the preceding three years (1 January 2021 to 31 December 2023)

Nil

Mr Lim Sim Seng

age 65

Independent Director

Academic and Professional Qualifications

- Bachelor in Business Administration, Yokohama National University, Japan
- Japanese Government Monbusho Scholar

Date of first appointment as a Director

1 August 2023

Date of last re-election as a Director

Nil

Length of service as a Director (as at 31 December 2023)

0 year 5 months

Board Committee(s) served on

Nil

Current Directorships in Listed Companies

1. Raffles Medical Group Ltd (Non-Executive and Independent Director)
2. Singapore Technologies Engineering Ltd (Non-Executive and Independent Director)

Other Major Appointments

1. DBS Securities (Japan) Co., Ltd (Director)
2. DBS Vickers Securities Holdings Pte Ltd (Chairman)
3. Building and Construction Authority (Chairman and Non-Executive Board Member)
4. High Commissioner (Non-Resident) to the Federal Republic of Nigeria

Previous Directorships in Other Listed Companies held over the preceding three years (1 January 2021 to 31 December 2023)

Nil

Mr Tan Soo Nan

age 75

Executive and Non-Independent Director

Academic and Professional Qualifications

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

Date of first appointment as a Director

28 July 2000

Date of last re-election as a Director

28 April 2023

Length of service as a Director (as at 31 December 2023)

23 years 5 months

Board Committee(s) served on

Nil

Current Directorships in Listed Companies

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

Other Major Appointments

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

Previous Directorships in Other Listed Companies held over the preceding three years (1 January 2021 to 31 December 2023)

SATS Ltd (Non-Executive and Independent Director)

Mr Olivier Lim Tse Ghow

age 59

Non-Executive and Non-Independent Director

Academic and Professional Qualifications
- Bachelor of Engineering (Civil) (First Class Honours), Imperial College, London

Date of first appointment as a Director
Joined from 1 October 2009 to 28 June 2013
Re-joined on 1 October 2014

Date of last re-election as a Director
28 April 2023

Length of service as a Director (as at 31 December 2023)
9 years 3 months (effective 1 October 2014)

Board Committee(s) served on
Nil

Current Directorships in Listed Companies
1. Raffles Medical Group Ltd (Non-Executive and Non-Independent Director)
2. DBS Group Holdings Ltd (Non-Executive and Lead Independent Director)
3. Starhub Ltd (Non-Executive Chairman and Independent Director)
4. Property Guru Group Limited* (Non-Executive Chairman and Independent Director)

Other Major Appointments
1. DBS Bank Ltd (Non-Executive and Independent Director)
2. Singapore Tourism Board (Appointed as Chairman on 1 January 2024 after serving as Deputy Chairman since 1 January 2023)

Previous Directorships in Other Listed Companies held over the preceding three years (1 January 2021 to 31 December 2023)
Nil

* *Subsequent to 31 December 2023, Mr Lim stepped down as Non-Executive Chairman and Independent Director of PropertyGuru Limited on 1 January 2024.*

Dr Sarah Lu Qinghui

age 42

Executive and Non-Independent Director

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

Date of first appointment as a Director
20 February 2018

Date of last re-election as a Director
26 April 2021

Length of service as a Director (as at 31 December 2023)
5 years 10 months

Board Committee(s) served on
Nil

Current Directorships in Listed Companies
1. Raffles Medical Group Ltd (Executive and Non-Independent Director)

Other Major Appointments
Nil

Previous Directorships in Other Listed Companies held over the preceding three years (1 January 2021 to 31 December 2023)
Nil

Dr Lu Liangjian David

age 33

Non-Executive and Non-Independent Director

Academic and Professional Qualifications

- Master of Medicine (Paediatric Medicine), National University of Singapore
- Membership of the Royal College of Paediatrics and Child Health
- University of Cambridge
  - Master of Arts
  - MB BChir
  - Bachelor of Arts (Honours)(First Class)

Date of first appointment as a Director

1 August 2023

Date of last re-election as a Director

Nil

Length of service as a Director (as at 31 December 2023)

0 year 5 months

Board Committee(s) served on

Nil

Current Directorships in Listed Companies

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

Other Major Appointments

1. National University Hospital (Associate Consultant, Department of Paediatrics)

Previous Directorships in Other Listed Companies held over the preceding three years (1 January 2021 to 31 December 2023)

Nil

Senior Management

Dr Loo Choon Yong

Executive Chairman

Raffles Medical Group

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

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

Dr Loo was the Nominated Member of Parliament from 2005 to 2006 and again from 2007 to 2009. He was a member of the Board of Trustees of Singapore Management University (SMU) from 2000 to January 2014. He also served as a member of the Government Economic Review Committee (ERC) from 2001 to 2003 and Chairman of the ERC's Healthcare Services Working Group (HSWG).

In the area of social service, Dr Loo had been active in the fight against drug abuse for more than 20 years. He was the former Chairman of National Council Against Drug Abuse and President of Singapore Anti-Narcotic Association (1996 to 2005).

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

Ms Sheila Ng

Chief Financial Officer

Raffles Medical Group

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

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

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

Ms Ng graduated with a Bachelor of Arts (Honours) in Accounting from the University of Kent at Canterbury, United Kingdom, in 1987. In addition, Ms Ng has held an active role as a member of the Finance Committee of the Asian Women's Welfare Association since 2017.

Mr Darren Tan

Chief Investment Officer

Raffles Medical Group

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

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

Currently, Mr Tan serves as Chairman of Audit, Risk and Compliance Committee on the Board of Frasers Centrepoint Trust, and as Director on the Board of Inland Revenue Authority of Singapore, Tax Academy of Singapore and Singapore Management University's School of Accountancy.

Mr Tan had previously served on the Boards of OCBC Bank (China), OCBC Bank (Malaysia), Bank of Ningbo (China), Lion Global Investors (Singapore), and MaxWealth Asset Management (China). He had also served as a member of the Alumni Advisory Board and Adjunct Professor of Nanyang Business School. Darren was a Council member of the Institute of Singapore Chartered Accountants and served as Chairman of its Investment Committee.

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

Dr Kenneth Wu

Chief Operating Officer

Singapore Healthcare
Raffles Medical Group

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

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

Ms Juliet Khew

Deputy Managing Director

Raffles Health Insurance

Ms Juliet Khew is the Deputy Managing Director of Raffles Health Insurance, the synergistic insurance arm and a wholly-owned subsidiary of Raffles Medical Group, covering managed care through its network of family clinics and tertiary hospitals.

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

As a veteran of the insurance industry with over 20 years of experience, Ms Khew had led Health transformation project focusing on customer proposition and in her leadership journey, she has also worked in a variety of roles across different distribution channels, including an integration of GI & Life company, and Underwriting.

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

Senior Management

Mrs Kimmy Goh

Group Financial Controller and Company Secretary

Raffles Medical Group

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

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

Dr Tan Hsiang Lung

General Manager

Raffles Hospital

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

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

Mr Kwok Quek Sin

Chief Digital Officer

Raffles Medical Group

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

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

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

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

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

Mr Teo Kah Ling

Chief Information Officer

Raffles Medical Group

Mr Teo Kah Ling is the Chief Information Officer of Raffles Medical Group, and has over 20 years of experience in the healthcare industry.

Mr Teo previously held the position of Head Systems Services and Principal Enterprise Architect at Integrated Health Information Systems (IHIS). During his tenure, he was responsible for all IT infrastructure-related projects for the National Healthcare Group of Hospitals.

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

Dr Morrison Loh

Director, Commercial

Raffles Medical Group

Dr Morrison Loh is the Director of Commercial at Singapore Healthcare and is responsible for driving and developing the Group's commercial businesses including consumer business and corporate services in the Singapore market.

Dr Loh joined the Group in 2014 and had previously served in Raffles Medical network clinics as Deputy Physician Leader where he was involved in primary care operations. He was previously the Head of Medical Directorate of Raffles Health Insurance where he oversaw panel management, medical adjudication, and medical underwriting. He was also part of the leadership team that launched Raffles Shield, a national Integrated Shield plan.

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

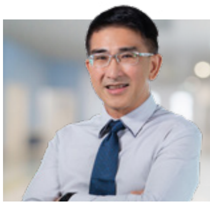
Senior Physician Leaders

Dr Alfred Loh
Senior Clinical Director
Raffles Medical

Prof Walter Tan
Medical Director
Raffles Hospital Singapore

Dr Wilson Wong
Medical Director
Raffles Medical

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



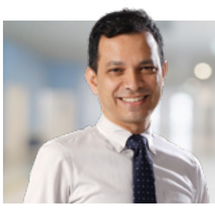
Dr Chng Shih Kiat
Medical Director
Raffles Medical

Dr Onishi Yoichi
Medical Director
Raffles Japanese Clinic

Dr Charles Poon
Medical Director
Raffles Hospital Beijing

Dr Lee I Wuen
Medical Director
Raffles Hospital Singapore

Dr Michael Wong
Deputy Medical Director
Raffles Medical



Dr Salleh Omar
Deputy Medical Director
Raffles Medical

Dr Melvyn Wong

Deputy Medical Director
Raffles Medical

Dr Nandha Kumar

Deputy Medical Director
Raffles Medical

Dr Anthony Foo

Deputy Medical Director
Raffles Hospital Singapore

Dr Sarah Lu

Deputy Medical Director
Raffles Hospital Singapore

Dr Isaac Liu

Deputy Medical Director
Raffles Hospital Singapore

Operations Review

With a return to normal activities, the Group remains focused on growing in a value accretive manner and improving the operating leverages of its existing businesses.

After a challenging few years, business activities finally resumed normalcy in 2023. During the year, the Group continued to focus on building on the Raffles Medical Group brand to offer Caring As One in Asia through our network of over 100 multi-disciplinary clinics with more than 1,500 physicians, nurses and allied healthcare professionals across 14 cities in Asia, all working together to deliver quality healthcare services and a brand that patients can trust.

Reflecting a return to normal operating activities, the Group's Revenue and Profit After Tax and Minority Interests (PATMI) for FY2023 moderated to **S$706.9** million and **S$90.2** million respectively.

The Group's core Hospital Services division, in particular Singapore, remained strong and profitable, registering revenue and profit growth of **4.5 per cent** and **52.2 per cent** respectively.

The Group's Healthcare Services division's revenue, which included revenue from COVID-19 activities in FY2022, registered lower revenue and profitability of **S$283.4** million and **S$67.3** million respectively.

Remaining focused on developing and growing its managed care services to offer customised corporate healthcare plans, the Group's health insurance arm, Raffles Health Insurance (RHI), grew its revenue by **25.6 per cent** to **S$144.5** million. However, consistent with industry trends, RHI also registered higher claims in FY2023.

With a return to normal activities, the Group remained focused on growing in a value accretive manner and improving the operating leverages of its existing businesses. This included the rightsizing and rationalising of the Group's China operations to achieve better operating efficiencies.

The Group has also consolidated its operations in China to focus on the three existing hospitals that are already in operation.

Expanding on our regional presence, the Group entered into a strategic partnership to manage American International Hospital (AIH) in Ho Chi Minh City. This will augment the Group's clinical presence in Vietnam.

Although slower economic growth in the region, coupled with higher inflation as well as continuing labour constraints, may dampen demand for high-end healthcare services, the Group remains focused on exploring new business opportunities regionally.

Singapore Operations

HOSPITAL, SPECIALTY SERVICES, AND CLINIC OPERATIONS

Raffles Heart Centre has expanded its angiography suite, commissioned a new Cardiac Catheterisation Laboratory (Cath Lab) and invested in a new Cardiology PACS platform, which allows our cardiologists to view and report cardiac tests remotely and efficiently.

Raffles Hospital and Specialty Services

We saw a steady growth in the number of patients, and also witnessed our patients' needs evolved. Thus in 2023, we continued to embark on an approach that addressed various aspects of our clinical expertise, healthcare delivery, technology, and infrastructure to ensure we continue to deliver excellent medical outcomes and patient experience.

On professionals and expertise, we welcomed more specialists, family physicians, nurses, and allied health professionals to our Group to strengthen the breadth and depth of our capabilities. These professionals were inducted into our group practice model – where healthcare professionals from different disciplines work together to leverage on their collective expertise in an interdisciplinary approach to provide holistic and seamless care for our patients, thus ensuring that patients received effective, well-rounded and coordinated care that addressed their physical, mental and emotional health.

On specialty services, we increased the capacity of our Raffles Dialysis Centre (RDC) to 10 stations to address the growing demand for haemodialysis care required by end-stage renal disease patients. We have also enhanced our capabilities for peritoneal dialysis to cater to a growing group of patients who prefer to undergo treatments at home. The additional capacities were taken up by an increasing number of renal patients with various needs, including standard haemodialysis, high dependency dialysis, peritoneal dialysis, and dialysis access intervention.

At Raffles Hospital, care is tailored to every patient's individual needs.

To cater for increase in demand for angiographic procedures, we expanded our Angiography Suite and commissioned a new Cardiac Catheterisation Laboratory (Cath Lab). We have also invested in a new Cardiology PACS platform that will allow our cardiologists to view and report cardiac tests remotely and efficiently. Furthermore, these reports will be uploaded into our Electronic Medical Records automatically, allowing for faster diagnosis and the initiation of necessary treatments.

Singapore Operations

Our medical laboratory received accreditation from the College of American Pathologists (CAP), a globally recognised accreditation body. A CAP accreditation involves a thorough assessment of a laboratory's compliance with local and international regulatory standards. With this CAP accreditation, we have demonstrated that our laboratory complied, and will continue to comply, with rigorous standards in laboratory practices and diagnostic services. The accreditation also reflects our commitment to patient safety and high-quality care, and it helps to assure our patients that our laboratory is committed to delivering accurate and reliable results.

Patient satisfaction and well-being play a crucial role in defining the success of healthcare delivery. Beyond expanding the pool of physicians and healthcare professionals, and increasing operations resources, we continued to address various aspects of care, communication and support that would contribute to a patient's journey through our healthcare system. In recognition of Raffles Hospital's efforts made towards improving a patient's satisfaction, Raffles Hospital received the "Patient Experience Improvement Award (Gold)" for our "WECARE" project at the Hospital Management Awards 2023. This award recognises innovative and progressive projects undertaken by hospitals to improve outcomes. Raffles Hospital's "WECARE" project was implemented by the nursing team to increase nurse-patient contact time by anticipating patient needs.

With a large network of clinics in Singapore and round-the-clock telemedicine services, our patients enjoy convenient access to quality healthcare at Raffles Medical.

We executed our plans to refurbish and expand some facilities to better serve patients' needs, accommodate the growing patient population, as well as to optimise patient flow within the hospital to enhance patient experience with us. We also implemented capacity management strategies to handle patient influx more efficiently.

We continued to embark on quality improvement. We maintained a robust system of quality improvement based on performance metrics and feedback, including holding regular reviews and updating protocols and procedures to align with best practices.

Primary Care Network

Our general practice clinics serve as the frontline of our healthcare services. We maintain an approach of letting our patients have convenient access to quality healthcare – be it near their home or office. As people's behaviours altered in recent years, we took into consideration the rising popularity of hybrid work model when choosing the location to open our clinics. In 2023, we opened new clinics in Marine Parade and at Woodleigh Mall in suburban Singapore, and at CapitaSky in the Central Business District.

Telemedicine service enables our patients to access care more conveniently, and the demand for this service has increased over the years. In 2023, we continued to enhance our Raffles Connect platform and improve services by strengthening our team of physicians to provide our patients and corporate clients with round-the-clock online access to care.

Singapore Operations

Raffles Medical

Our commitment to our patients' well-being extends beyond treatment of illnesses, and we firmly believe in the adage that prevention is better than cure. Thus, when the Ministry of Health (MOH) launched "Healthier SG" (HSG) as a national initiative, which emphasises on preventive care to "living long and well", Raffles Medical gave our full support and joined the HSG list of healthcare providers to deliver a comprehensive preventive care strategy for our patients.

Under HSG, our patients will be attended to by their preferred Raffles Medical family physician who will work closely with them to map out a personalised health plan that caters to their needs. Through this programme, our patients can benefit from having a Raffles Medical family physician who can follow up on their health progress and better advise them on appropriate management health plans.

To ensure continuity of care for our enrolled patients, our Electronic Medical Records are integrated with the National Electronic Health Record, thus delivering a seamless experience for all our patients.

Raffles Dental

In-line with our group-wide plan to strengthen our service offerings, Raffles Dental welcomed new dentists (GP) and new visiting specialists in 2023. This helped to meet the rising demand for general and specialist dental services at our network of clinics across the island. With a healthy increase in local and foreign demand for specialist dental services, Raffles Dental at Raffles Hospital started providing a one-stop comprehensive range of specialist services to patients referred by general dental practitioners within and beyond the network of Raffles Dental clinics.

Our dedicated GP dentists and specialists deliver comprehensive range of services at Raffles Dental clinics.

China Operations

The continued urbanisation and the growth of the middle class are making China's consumer base even bigger, which will power demand in a broad range of services, including healthcare.

In 2023, patient visits to our China operations increased with the cessation of zero-COVID policy in the early part of the year. Although revenue improved, our hospitals in Shanghai and Chongqing were still in the developmental phase and continued to incur gestational losses. With business returning to normal, we commenced right-sizing and rationalising our China operations to achieve better operating efficiencies.

Raffles Hospital Beijing (RHBJ)

RHBJ serves a substantial number of members of the diplomatic corps, and expatriates and their families in Beijing. We continued to differentiate our services so that we remain the preferred healthcare provider among Beijing's international and affluent local communities. In 2023, RHBJ was officially incorporated into the international hospital system in the Chaoyang District.

To date, RHBJ has established some 17 departments/specialties, with the latest being Raffles Sleep Centre, catering to a wide spectrum of healthcare needs of our patients. Among the various preventive packages that were offered, we saw a strong growth in demand for our health screening services from both local and foreign individuals, and corporate clients.

Raffles Hospital Shanghai (RHSH)

RHSH has operated for more than two years, and it is the only international hospital in Pudong Qiantan, the new commercial district. In 2023, we saw a stable increase in patient load, and revenue grew month-on-month from the start of the year. The hospital has 20 established specialties, including, but not limited to specialties in orthopaedics and sports medicine, women's health, cardiology, dental, and medical aesthetics, in addition to traditionally popular specialties. The hospital also offers 24-7 medical services.

We collaborate with insurance companies and corporates to offer healthcare packages. This collaboration contributed to our RHSH operations' continued growth. Besides corporate partnership, RHSH also implemented successful community engagement programmes that saw an increase in demand for our emergency, paediatric, and orthopaedic services.

Raffles Hospital Chongqing (RHCQ)

In 2023, RHCQ strengthened its clinical services in interventional cardiology and neuroscience. As demand for women's health-related services continued to grow, we expanded our obstetrics and gynaecology services to offer a one-stop comprehensive suite of services for women.

Chongqing has strong cultural practices and traditions related to postpartum care, and RHCQ's confinement centre is well received by the local people. We continued to differentiate our confinement centre with high quality of services (professional medical care, excellent postnatal care for both the mother and the child, experienced and caring staff), comfortable facilities (comfortable rooms, modern amenities, and a peaceful environment), and specialised postpartum recovery programmes and services tailored to the needs of new mothers.

Raffles Medical Indochina

We remain committed to delivering comprehensive healthcare services in Indochina. To consolidate our position to meet the growing diverse consumer health needs of our patients in Vietnam, we entered into a strategic partnership and management agreement on American International Hospital (AIH) in Ho Chi Minh City. AIH is a purpose-built and fully equipped 120-bed general hospital with a wide range of specialties and essential diagnostics capabilities. It has about 500 staff, and more than 40 doctors. Since its inception, AIH continues to see steady growth in both outpatient and inpatient volumes.

Raffles Medical Indochina actively engaged the communities to support their well-being through health and wellness programmes. We held health talks, first aid training workshops, and clinic tours for community partners such as international schools, residences, and multinational corporations.

We also participated in key national events such as Singapore's 58th National Day cerebration in Vietnam, which was organised by the Singapore Chamber of Commerce.

American International Hospital (AIH)

120 beds

General hospital

Other Operations

RAFFLES HEALTH INSURANCE
RAFFLES HEALTHCARE INSTITUTE
RAFFLES HEALTH

Raffles Health Insurance

RHI continued to focus on process improvement and digitalising solutions to further enhance its operational efficiency. A new agent portal was launched in 2023 to provide greater transparency and improve customer experience during the onboarding process for individual customers.

New products designed to provide additional cancer coverage were launched in FY2023. The Raffles Cancer Guard Rider was introduced to offer protection for patients using treatments that are not included in the MOH's Cancer Drug List. Besides offering market-leading product features and competitive pricing, RHI included differentiated features such as traditional Chinese medicine and psychiatric counselling to help cancer patients better cope with their recovery journey. Concurrently, a sales campaign was offered to independent financial advisers (IFAs) and the public to promote Raffles Shield with premium lock-ins to counter the effects of medical inflation and to give clients peace of mind. Additionally, RHI also launched its first Digital Term Life product – it was offered solely through a digital portal of a strategic distribution partner.

RHI Revenue ($ Million)

144.5

FY2022: S$115.0m

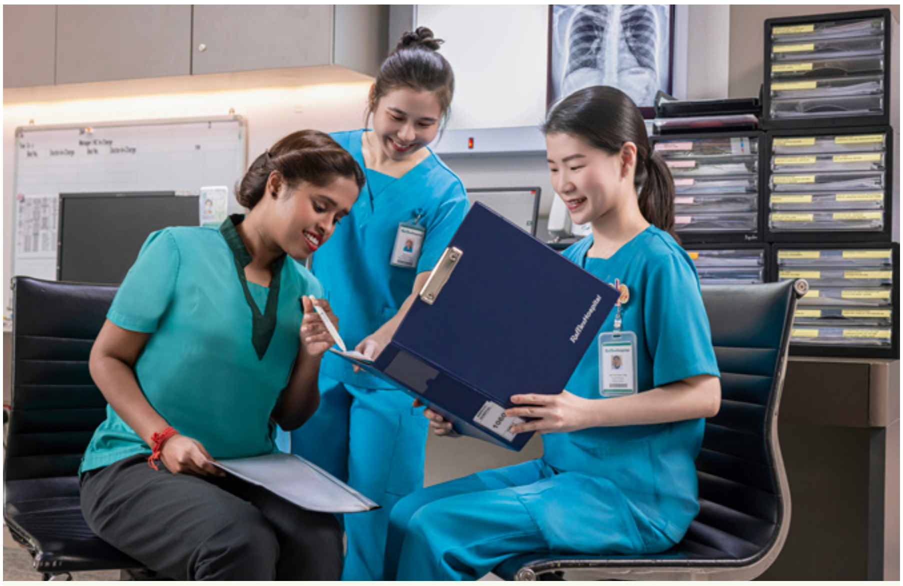
Raffles Health offers a curated range of health and lifestyle products formulated to meet the evolving needs of patients and everyday consumers, which are available online at www.raffleshealth.com.

Raffles Health

We expanded our range of Raffles Health products both in-store and online with a focus on the maternity and paediatric segments to meet the growing demand from hospital patients. We also completed a revamp of design and formulations of our current supplement range and saw healthy growth in sales in 2023, riding on the wave of post-pandemic health-seeking behaviours.

For the second year running, Raffles Health emerged top in the Medical Supplies (Online) category in The Straits Times Best Customer Service 2023/24 Award, based on surveys conducted by Statista.

Other Operations



Our employees undergo continuous learning and skills advancement to hone their clinical proficiency and service skills for enhancing a culture of excellence.

Raffles Healthcare Institute (RHCI) 10 YEARS OF GROOMING HEALTHCARE PROFESSIONALS

Raffles Healthcare Institute

Raffles Healthcare Institute (RHCI) celebrated 10 years of achievements as the key training arm of the Group in July 2023. Over the years, it has grown from strength-to-strength in providing quality courses to groom leaders and healthcare professionals. Under RHCI, the Centre of Service Excellence (CSE) was established to equip our frontliners with industry standard service skills and etiquettes that would leave positive impressions on patients and customers they serve and care for.

CSE introduced a new Workforce Skills Qualification (WSQ)-certified course, "Driving Service Excellence", for our supervisors and managers. The course focused on imparting essential knowledge required to help service ambassadors transit to a service coach – supervisors were taught important coaching skills and engagement methods to improve staff morale and productivity.

The General Management Team organised a Supervisory Training Programme to groom our tomorrow's supervisors to become effective frontline leaders. The supervisors embarked on a five-month learning journey, which comprised a spectrum of business management modules to hone their leadership acumen, and the undertaking of group projects centred around workplace improvement initiatives.

Sustainability Report

RMG supports sustainability. Many of the things we do daily resonate with many fundamentals of sustainability. As an established healthcare provider, our business is about "people" – pursuing medical excellence and delivering quality healthcare to our patients and customers, recruiting and retaining good people, offering growth and advancement opportunities for our staff, and delivering returns to our shareholders – and also about creating values in the communities we operate in.

As the Group continues to grow, we remain steadfast in our core purpose and core values, and we will continue to factor sustainability in our decision making. We are committed to prioritising our people and our communities, and we believe we are balancing more of what we do, and how we do things, with evolving ESG expectations.

Aligned with our financial reporting cycle, this report contains data and information in respect of the financial year (FY) ended 31 December 2023. This report is prepared annually and is included in the Group's Annual Report.

Unless otherwise stated, this report covers our Singapore and China operations across our respective business segments.

We welcome any comments, questions or suggestions regarding this report and our sustainability performance.

Registered Office:
585 North Bridge Road
Raffles Hospital #11-00
Singapore 188770
Attention: Sustainability Committee
Email: enquiries@raffleshospital.com

Board Diversity: Female Directors

17%

FY2022: 20%

Board Diversity: Independent Directors

58%

FY2022: 60%

GHG Emissions

(tCO2e)

1,644.9

Group Scope 1 emissions

GHG Emissions

(tCO2e)

17,489.2

Group Scope 2 emissions

Electricity Consumed

(MWh/revenue S$'000)

0.04

FY2022: 0.03

Water Consumed

(Cu M/revenue S$'000)

0.23

FY2022: 0.19

Waste Generated

(metric ton)

796.1

FY2022: 830.8

Diversity Matrix:

Female staff

75%

FY2022: 75%

Diversity Matrix:

Staff aged above 50 years old

14.7%

FY2022: 15.0%

Donations

S$1,068,113

FY2022: S$688,573

BOARD STATEMENT

RMG's journey has been about our unwavering commitment to patient-centric care, medical excellence, looking after our physicians and staff, and creating value for the communities. We practise medicine with a strong compliance with medical and healthcare regulations. Our internal professional guidance on operations, policies and procedures are established to the highest standards. Also given our business footprint across Asia, we strive to be a good responsible corporate citizen in the communities we operate in. As such, the way we deliver healthcare, and the way we develop and run our businesses intersect with many Environmental, Social and Governance (ESG) considerations.

Medical excellence, our patients and our staff remain our top priority. This means we will move faster on some ESG fronts, and phase in other aspects. To reduce our environmental footprint, we endeavour to align our operations and policies, wherever it is operationally feasible.

RMG's Board and the Audit and Risk Committee (ARC) provide corporate governance oversight to ensure that ESG considerations and sustainability material issues continue to be integrated into the Group's business strategy as appropriate. Under the revised governance structure adopted by the Board, the Management also reports to the Board on the Group's alignment with relevant sustainability obligations and the Group's sustainability performance.

We continue to align our sustainability disclosures with relevant requirements, including SGX-ST Listing Rule 711 (A) and (B), SGX-ST Sustainability Reporting Guide (Practice Note 7.6), and SGX 27 Core ESG metrics. We are also referencing the Global Reporting Initiative (GRI) Universal Standards 2021 issued by the Global Sustainability Standards Board when preparing our sustainability report. We have used the GRI reporting framework since we began reporting on our ESG performance in 2017 and will continue to use it as it is the most widely used reporting framework globally. In 2023, we embarked on our Task Force on Climate-related Financial Disclosures (TCFD) journey, and we will be making disclosures in phases in accordance with the TCFD recommendations. Our disclosures are audited by our internal audit, and our GHG emissions numbers are calculated using a service provided by an established external service provider.

Our people are key to RMG's success. We look after our staff's well-being, provide training for them, and look into their career development. These have significant positive multiplier effects on them, their families, and the communities. We work with, and look for, people – physicians, nurses, allied health professionals and staff – with high level of competency, professionalism, expertise, experience, ethics, and integrity.

The Board plays a key role in ensuring that on human resource, the Group upholds fairness, diversity, and inclusion in our hiring process; shapes our policies to develop our staff with the right mindset, skills, and competence; fosters a culture of continuous learning; keeps upskilling and training opportunities inclusive and available to all who qualify; and maintains our progression policy to ensure inclusivity and diversity, providing equal opportunities for all staff to advance.

The Board supports the Group giving back to the community. In addition to donating to recognised charities and worthy social causes, we also encourage our people to participate actively in charitable activities. The Group has put in place a policy to recognise staff volunteering for charitable causes.

The Board provides key oversight in upholding strong governance and business practices. As a healthcare provider, the Group adheres to healthcare regulations and guidelines, and other relevant regulations, and we supplement these with our rigorous professional governance to ensure high quality of healthcare delivery. As a corporation, we adhere to listing rules and regulations, and practise strong corporate governance, ethics, integrity, compliance, and risk management so that we are accountable to our stakeholders and shareholders. The Board has revised the Terms of Reference of the ARC to better reflect its responsibilities on sustainability, including to oversee and review the implementation of the Group's sustainability efforts and to provide strategic direction on sustainability matters.

We maintain a zero-tolerance stance on corruption, bribery, and unlawful practices. We have policies and procedures on the management of suppliers and contractors, on procurement, and on whistleblowing, and have mandated that training on anti-corruption be conducted for staff. Our patients' medical record and data are of paramount importance. Hence, the Group maintains robust cybersecurity measures to protect the data of our patients and customers.

As knowledge and technology on sustainability, as well as ESG-related regulations and expectations evolve, members of the Board, and specifically of the ARC, members of the Management and relevant staff continue to participate in training programmes, including requisite sustainability training in accordance with SGX-mandated requirements, to update their knowledge and capabilities. New directors will be scheduled for training within the first year of appointment.

We believe the evolving regulations and expectations on ESG matters are useful for guiding us in aligning our directions and targets for the material topics identified, and in communicating our efforts in managing ESG issues to our patients and customers, staff, stakeholders, and the public.

Our people are key to RMG's success. We look after our staff's well-being, provide training for them, and look into their career development.

APPROACH TO SUSTAINABILITY

Materiality Approach and Process

In 2023, we undertook a stakeholder engagement exercise, via a survey, with our internal and external stakeholders. These included the Group's key management and staff, patients, customers, regulators, suppliers, and contractors. The exercise allowed us to keep up with the evolving sustainability landscape, in particular, to refresh our understanding of the way our stakeholders view us and what they expect from us.

Stakeholder	Why them
Patients & Customers	• We serve more than 2.8 million patients and 7,000 corporate clients. • Providing high quality holistic healthcare to our patients and customers, and ensuring their safety and satisfaction are core to our mission of becoming their Trusted Partner for Health.
Staff	• We have close to 3,000 staff in our facilities across Asia. • Our people – physicians, nurses, allied health professions and staff - are our most valuable assets. • They work professionally, tirelessly, and seamlessly together to deliver quality healthcare, and ensure the safety, well-being and satisfaction of our patients and customers.
Governments & Regulators	• The healthcare sector is one that is heavily regulated. Governments and regulators implement and shape healthcare policies and regulations, affecting the ways we deliver healthcare. • As a company listed on the SGX-ST, we adhere to listing rules and regulations. • We work closely with the authorities in all the jurisdictions we have a presence in. We readily come forward and step up our services when the community faces exigencies, such as during SARS, bird flu, and COVID-19 pandemic.
Suppliers and Contractors	• Being an integrated healthcare provider with presence in 14 cities, we deal extensively with an array of suppliers and contractors in various jurisdictions. • They are important partners in our healthcare delivery – providing goods and services in a timely manner, and of the standard and quality we expect.
Shareholders	• As a listed company, we are accountable to our valued shareholders.

From the stakeholder engagement exercise, we extracted a list of items which respondents thought to be more important and less important:

Top five items considered to be most important: Patient Safety, Clinical Quality, Data Privacy and Security, Workplace Health and Safety, Customer Satisfaction.

Bottom three items considered to be less important: Reducing Greenhouse Gas Emission, Water Conservation, Recognising Climate Change.

Based on the outcome of the survey, we recognised that a refresh and reprioritisation of the material factors would better reflect the current priorities and expectations. The refreshed and reprioritised list is as shown in the table below:

Pillar	Key Material Topics	Material Sub-topics
Social	Patients and customers	• Access to healthcare • Clinical quality • Patient safety • Customer satisfaction
	Staff	• Diversity, equity, and inclusion • Engagement and retention • Workplace health and safety • Training and development • Progression
	Community	• Corporate Social Responsibility (CSR) • Staff volunteering
Governance	Corporate governance	• Role of the Board
	Code of conduct	• Supplier Code of Conduct
	Cybersecurity, data protection	• Safety and security of patients' medical records and personal data
Environment	Emissions	• Manage emissions
	Energy	• Manage energy consumption
	Water	• Manage water consumption
	Environmental compliance	• General waste • Biohazard waste
	Climate change adaptation and mitigation	• Sustainable products and technology

Our Targets and Performance Highlights

From our stakeholder engagement exercise, we drew up a set of short-term (up until 2030), medium-term (from 2031 to 2040), and long-term (beyond 2040) targets relating to each pillar and also for the material topics.

This is a journey. We continue to take a proactive approach towards sustainability, including climate change, and adaption. We will continue to strengthen existing policies and practices that are contributing to ESG, move faster on some new areas, and address others at appropriate times.

Key Material Topics	Material Sub-topics	FY2023 Performance and Achievements	Progress	Short-term, Medium-term, Long-term Targets (baseline year: FY2023)
SOCIAL				
Patients and Customers	• Access to healthcare	• Raffles Hospital Singapore: made available more specialty services. • Raffles Medical: Opened 3 clinics in Singapore. • China operations: made available more specialty services.	On track	• Short- and Medium term: Continue to provide patients with easy access to healthcare services.
	• Patient safety	• Ventilator-associated pneumonia rate: 0 (FY2022: 5.6) • Unscheduled readmission within 30 days rate: 1.4 (FY2022: 1.5)	On track	• Short- and Medium term: Maintain low rate of incidence for patient safety.
	• Customer satisfaction	• Customer Satisfaction Index (RH*): 83 (FY2022: 82) • Customer Satisfaction Index (RM**): 71 (FY2022: 66)	On track	• Short- and Medium term: Maintain Customer Satisfaction Index above 70.

* RH: Raffles Hospital

** RM: Raffles Medical

Our Targets and Performance Highlights (cont'd)

Key Material Topics	Material Sub-topics	FY2023 Performance and Achievements	Progress	Short-term, Medium-term, Long-term Targets (baseline year: FY2023)
Staff	• Workplace health and safety	• Fatality: 0 (FY2022: 0) • High consequence injury: 0 (FY2022: 0) • Recordable injuries: 20 (FY2022: 2) • Recorded work-related ill health: 0 (FY2022: 0)	On track	• Short-term: China operations – to commence WSH audit. • Short to Long term: Maintain 0 fatality, 0 high consequence injury, and 0 recorded work-related ill health.
	• Engagement and retention	• Executed HR policies in-line with the Group's core considerations and regulatory requirements. • Employee turnover: 26% (FY2022: 36%)	On track	• Continue to adhere to regulations and align policies with regulations.
	• Diversity, equity, and inclusion	• Executed HR policies in-line with the Group's core considerations and regulatory requirements. • New hires (female): 78% (FY2022: 77%) • Female employees: 75% of total staff (FY2022: 75%)	On track	• Continue to adhere to regulations and align policies with regulations.
	• Training and development	• Provided training and development for all staff. • Training hours: 52,933 (FY2022: 51,685)	On track	• Continue to avail training and development opportunities to staff.
	• Progression	• Executed HR policies in-line with the Group's core considerations and regulatory requirements. • Staff performance review rate: 100% (FY2022: 100%)	On track	• Continue to adhere to regulations and align policies with regulations.

Our Targets and Performance Highlights (cont'd)

Key Material Topics	Material Sub-topics	FY2023 Performance and Achievements	Progress	Short-term, Medium-term, Long-term Targets (baseline year: FY2023)
Community	• Company's CSR	• Company donated $1,068,113. (FY2022: $688,573)	On track	• Continue to support worthy charitable and social causes.
	• Staff volunteerism	• Staff volunteered 796 hours (FY2022: 7,176 hours) • Introduced policy to encourage staff volunteerism.	Requires improvement	• Short-term: 10% increase in staff volunteering hours by 2026. • Create greater awareness on staff volunteer policy. • Encourage the Management to share their involvement in charitable and social activities.
GOVERNANCE				
Corporate Governance	• Board metrics	• Women in Board: 16.7% (FY2022: 20.0%)	On track	• Maintain board and senior management diversity.
Code of Conduct	• Supplier Code of Conduct	• Code adopted in 2023.	On track	• Secure the acknowledgment of our code by existing suppliers, contractors, and vendors. • All new suppliers, contractors, and vendors to acknowledge our code.
Cybersecurity, Data Protection	• Patients' medical records and personal data	• The Group was awarded the Cyber Essentials Mark by Cyber Security Agency of Singapore. • Data-security: 0 incident	On track	• Comply with regulatory requirements and continue to mitigate risk. • Short to Long term: Strive for 100% incident-free.

Our Targets and Performance Highlights (cont'd)

Key Material Topics	Material Sub-topics	FY2023 Performance and Achievements	Progress	Short-term, Medium-term, Long-term Targets (baseline year: FY2023)
ENVIRONMENT				
Emissions	• Manage emissions	Started tracking Scope 1 and Scope 2 emissions. • Scope 1: 1,644.9 (tCO2e) • Scope 2: 17,489.2 (tCO2e)		• Short-term: Continue to track Scope 1 and Scope 2 emissions. • Short-term: Prepare to track Scope 3 emissions. • Medium-term: Reduce levels of Scope 1 and Scope 2 emissions by 5% • Long-term: Reduce levels of Scope 1 and Scope 2 emission by 10%
Energy	• Manage energy consumption	• Started systematic management of air conditioning operations. • Started replacing existing lighting fixtures with energy efficient ones. • Energy consumption intensity (MWh/ revenue S$'000): 0.04 (FY2022: 0.03)	On track	• Short-term: Maintain level of energy consumption intensity. • Medium-term: 5% reduction in energy consumption intensity by 2035. • Continue to look out for energy efficient options for adoption in our facilities. • Create greater staff awareness on energy conservation.
Water	• Manage water consumption	• Replaced existing plumbing fixtures with efficient ones. • Water consumption intensity (Cu M/ revenue S$'000): 0.23 (FY2022: 0.19)	On track	• Short-term: Maintain level of water consumption intensity. • Medium-term: 5% reduction in water consumption intensity by 2035. • Create greater staff awareness on water conservation.
Environmental Compliance	• General waste	• Started regular communication with staff on conservation and recycling. • Produced (metric ton): 796.1 (FY2022: 830.8)	On track	• Short-term: 5% reduction in waste consumption intensity by 2030. • Medium-term: 5% reduction in waste consumption intensity by 2035. • Create greater staff awareness on conservation and recycling.
	• Biohazard waste	• Adhered to regulatory requirements. • Produced (metric ton): 1,748.5 (FY2022: 2,060.5)	On track	• Continue to adhere to regulatory requirements on treatment of biohazard waste.
Sustainability Adaptation and Mitigation	• Sustainable products and technology		Requires improvement	• Short-term: Install EV charging stations at Raffles Hospital Singapore and our hospitals in China. • Short-term: Transit our ambulance fleet across our facilities to cleaner energy vehicle.

GOVERNANCE ON SUSTAINABILITY AND RISK

As an established healthcare provider, the way we deliver healthcare, and the way we develop and operate our businesses intersect with many ESG considerations. As we grow our businesses, we remain committed to our core purpose and core values, and we will continue to factor sustainability considerations in our decision making.

Sustainability Governance Approach

The Board works closely with the senior management and is involved in developing the Group's sustainability strategies, policies, risk management framework, ESG targets, and ESG material factors. The Board is responsible for reviewing and approving the Group's sustainability report.

At the Board level, the ARC provides strategic direction to, and oversight of, our ESG priorities and commitments, including our environmental sustainability strategy and climate-related efforts, our risk management and internal controls, our social responsibility program, and our risk, ethics and compliance programs. The ARC is chaired by an Independent and Non-Executive Director, and it comprises two other Independent and Non-Executive Directors. The Board has revised the Terms of Reference of the ARC to better reflect its responsibilities on sustainability. The ARC Chairperson reports to the Board on the Committee's proceedings.

ESG matters are deliberated at the ARC when it meets and when necessary. In addition to providing strategic direction and oversight, the ARC also deliberates management's proposals and makes recommendations to the Board on sustainability-related policies and practices. To assist the ARC members in carrying out their responsibilities, they have access to RMG staff, and to advice from external domain experts and consultants.

Like all our Board committees, the ARC members are appointed based on their expertise and knowledge. Each Director is subject to rotational reappointment in accordance with RMG's Constitution. The appointment of ARC member terminates when the member ceases to be a Director or as determined by the Board.

The Board oversees the Group's Management Executive Committee (MEC), which comprises of, among others, Chief Operating Officer, Chief Financial Officer and Chief Investment Officer. The ARC works closely with the MEC on, among others, sustainability matters. The MEC assesses ESG progress, as well as monitors and evaluates the Group's sustainability performance against the targets established, and reports to the Board on a regular basis.

The MEC oversees the Sustainability Committee (SC), which is the working group on the Group's ESG-related matters. The SC is co-chaired by the Group Financial Controller and a Director of Raffles Health Insurance, and its members include key heads of operations and/or business units. The SC identifies potential sustainability initiatives for implementation across the Group, and it drives, coordinates, and executes the Group's sustainability strategy. The SC also monitors regulatory obligations and strives to align the Group's policies and practices with relevant sustainability regulations. To ensure that members of the ARC and MEC are kept updated on sustainability development and requirements, the SC looks out for relevant training courses, talks and presentations for them.

SOCIAL

The Group is centred around "people" – patients and customers, staff, and stakeholders – and we strive to create values in the communities we operate in.

Patients and Customers

We strive to be culturally competent, and our physicians and staff understand and respect the cultural, social, and economic factors that influence an individual's health.

Our Position

Medical excellence, our patients and our staff remain our top priority. We believe that our patients and customers prioritise healthcare providers that deliver affordable high-quality medical care and those with a reputation for doing so.

This is clear from our 2023 survey of stakeholders: close to 90 per cent of participants said that "clinical quality" and "patient safety" were "very important" to them.

Our patients' priorities are: expertise of healthcare professionals, successful outcomes, and commitment to patient safety. And they also look out for other tangible and intangible qualities, such as financial considerations (transparent about costs), continuity of care, wait time, ethical practices.

Our Approach

Achieving Patient and Customer Satisfaction

This is key to us because higher satisfaction levels contribute to better adherence to treatment plans and improved outcomes. This is an on-going journey: we are constantly examining and reviewing our treatment plans and protocols to seek improvement.

We put our patients and their well-being at the centre of all that we do. With our group practice model, we are able to put patients' needs first, and allow our healthcare professionals from various disciplines to work together to leverage on their collective expertise in an interdisciplinary approach to provide collaborative and seamless care for our patients. We emphasise patient dignity, and we ensure that healthcare decisions and interventions are in the best interest of the individual. We believe that the way we deliver healthcare produces better quality care, and efficiency in the delivery of clinical outcomes.

We encourage patient empowerment: we want our patients to participate in their own health and well-being. We believe that informed and engaged patients are more likely to adhere to treatment plans, make healthier lifestyle choices, and take an active role in managing their conditions.

We emphasise effective communication between our physicians, allied health professionals, nurses, staff, and patients. This helps build trust, ensures that patients understand their diagnoses and treatment options, and allows them to express their preferences and concerns. It also helps to foster a collaborative relationship between the healthcare team and the patient.

We strive to be culturally competent, and our physicians and staff understand and respect the cultural, social, and economic factors that influence an individual's health. We know that we can deliver more effective care when we are culturally competent – when we take into account the diverse backgrounds and values of our patients.

We have also put in place a programme to recognise service excellence for physicians and staff and continue to focus on improving operational efficiency by streamlining processes, promoting engagement and development, and leveraging on feedback mechanisms to continually refine and innovate healthcare delivery.

Providing Access to Healthcare

As we work towards Caring as One in Asia, we continue to strengthen the breadth and depth of our capabilities so that our patients and customers will have access to quality care conveniently.

Ensuring Clinical Quality

We strive to deliver safe, quality, effective, ethical, and professional care to our patients. On one level, our hospitals and clinics adhere to the requirements of the relevant health ministries, health bureaus and other relevant authorities. Such requirements stipulate rigorous standards, expectations, and obligations to meet.

In addition to regulatory requirements, we maintain demanding internal professional governance, which is unique in the private healthcare provider space.

We have established professional governance committees to ensure the quality, safety, ethics, and effectiveness of our care, as well as to oversee and guide various aspects of our medical practice. They are:

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

We also maintain the same demanding professional medical governance at our hospitals in China to ensure continuous improvement of healthcare delivery and that patients' well-being remains a top priority. The core professional governance committees in our hospitals in China include:

- Biohazard Waste Management Committee
- Biosafety Management Committee
- Blood Transfusion and Tissue Review Committee
- Code Blue and Emergency Care Committee
- Emergency Service Management Committee
- Hospital Medical Quality Assurance Committee
- Infection Control Committee
- Medical Affairs and Credentialing Committee
- Medical Quality and Audit Committee
- Medical Records Management Committee
- Nursing Quality Assurance Committee
- Operating Theatre Committee
- Patient Case Review Committee
- Radiation Safety Committee
- Surgical Quality and Audit Committee
- Therapeutics and Infection Control Committee

Ensuring Patient Safety

The health authorities set rigorous standards, expectations, and obligations for healthcare providers to ensure patient safety. Internally, we uphold a culture of open conversation and accountability. We advocate sharing of feedback by our healthcare professionals across all spectrums in our hospitals. This includes reporting an event, a process, or condition that causes harm or has the potential to cause harm or injury to our patients and customers. We also proactively review clinical incidents and provide feedback to the relevant parties.

Among others, we have the following clinical performance measurements:

- Clinical outcome by specialty
- Falls
- Hospital-acquired infections
- Morbidity and Mortality
- Medication-related events
- Surgical-related events

Our Progress

Providing Access to Healthcare

The Group operates four hospitals and a vast network of over 100 multi-disciplinary clinics in 14 cities in Asia, and employs close to 3,000 staff, of which more than 1,500 are physicians, nurses, and allied healthcare professionals. We will continue to grow our network of facilities and build the breadth and depth of our capabilities.

Patients Safety

Patient safety	FY2023	FY2022
Central Line-associated Blood Stream Infection Rate (per 1,000 device patient days)	0	0
Ventilator Associated Pneumonia Rate (per 1,000 device patient days) (PVAP)	0	5.6
Catheter Associated Urinary Tract Infection Rate (per 1,000 device patient days)	0	0
Unscheduled Readmission Within 30 Days Rate	1.4	1.5

Our Staff

4
Hospitals

14
Cities in Asia

2,900
Employees

>1,500
Healthcare professionals

Our Position

Our staff are our key assets, and they are key to the Group's success. We employ about 2,900 people, and we have more than 200 roles in the Group. Each of our colleagues has a role to play in ensuring we operate effectively and efficiently.

Our Approach

To deliver our brand of quality healthcare, we work with, and look for, people – physicians, nurses, allied health professionals and staff – with high level of competency, professionalism, expertise, experience, ethics, and integrity.

Competent, knowledgeable, skilled, and well-trained staff are essential for providing high quality patient care and ensuring patient safety. Well-trained and organised staff contribute to the efficient day-to-day operations of our facilities, including managing patient flow, coordinating tests and procedures, and handling administrative tasks effectively.

Our human resource approach is to employ and appoint people according to their abilities and talent. This is a key part of our institution. We developed our human resource policies based on this approach.

Engagement and Retention

We select individuals for roles or positions base on their skills, competence, experience, and qualifications, underscoring the importance of recognising and utilising the talents, and experience and capabilities of individuals in various roles.

Diversity, Equity, and Inclusion

Our human resource approach embodies diversity, equity, and inclusion. We are committed to treating everyone fairly and without bias. We are oblivious and indifferent to race, religion, and cultural considerations. We support Singapore Government's Tripartite Guidelines on the re-employment of older staff.

Progression

Our progression-related policy is an extension of our human resource approach: the policy is based on abilities and talent, as well as contributions, providing equal opportunities for staff to advance. We recognise and reward staff for their hard work and achievements. Our policy combines a role-based system that grades individual staff based on the extent of his/her role with a performance-based approach to evaluation, and compensation based on the outcomes of his/her job performance.

Training and Development

All our healthcare professionals need to fulfil mandated continuous training and education requirements.

Competent, knowledgeable, skilled, and well-trained staff are essential for providing high quality patient care and ensuring patient safety.

We support our doctors in fulfilling their Continuous Medical Education (CME) requirements where they deepen their knowledge and skills in new developments and advances in medicine, professional theories, treatment and management of common diseases, health policies and laws, new skills and practices, and research capabilities.

Also, we lend full support to our nurses in fulfilling their Continuing Professional Education (CPE) requirements to maintain their competencies through continuing education in order to provide safe patient care and to keep pace with advances and innovations in healthcare.

We continue to foster a culture of continuous learning, shape our human capital policies to develop our staff with the right mindset, skills, and competence, keep upskilling and training opportunities inclusive and available to all who qualify. We provide opportunities for continuing education, training, and career development to help staff enhance their skills and stay current with advancements. Staff are offered various training opportunities such as mandatory core training, department specific functional training, on-the-job training, cross-training in multiple functions, and mentoring.

To foster a healthy and productive work environment, we have put in place various programmes for staff well-being and welfare.

Workplace Health and Safety

The are two dimensions of workplace health and safety. One, being the environment aspects. We strive to achieve safety and health excellence consistent with international best practices. We comply with applicable requirements, standards, codes of practices and guidelines in all the cities we operate in. We have also put in place a number of practices, including:

- Maintaining a robust system of incident and accident reporting and analysis;
- Engaging stakeholders to effectively implement health and safety policies and procedures;
- Carrying out training to maintain high competency of health and safety practices and knowledge.

Two, health and safety have intangible aspects. We provide a safe and supportive work environment by addressing issues related to workplace abuse, harassment, or discrimination promptly. We have made clear our Group's zero-tolerance stance on abuse, harassment, and discrimination. Our leaders lead by example – they model appropriate behaviour and treat all staff with fairness and respect. And on reporting mechanism, our staff have multiple confidential and anonymous channels to report harassment or discrimination. The Company will investigate all complaints promptly and thoroughly, ensuring a fair and unbiased process.

Staff Well-Being and Welfare

To foster a healthy and productive work environment, we have put in place various programmes for staff well-being and welfare. These are in addition to traditional benefits, and they contribute towards us nurturing a positive and supportive workplace culture, and ultimately leading to higher staff retention and overall organisational success.

Our Progress

Training and Development

At the Group level, our staff (including physicians and nurses) went for 52,933 hours of training.

In 2023, we sponsored 1 staff for advanced diploma and 3 staff for degree programmes. We will continue to nurture and sponsor high potential staff to strengthen their clinical and management skills for career development. We provided 16 bursaries to the children of our staff as way to encourage and support them in their education journey.

Patient Safety	FY2023	FY2022
Average training hours per employee (hours)	18.3	19.3
Course Evaluation	98%	96%

Workplace Health and Safety

We participated in a Singapore Government-led working group looking into the prevention of abuse and harassment in healthcare. When the working group launched the "Tripartite Framework for the Prevention of Abuse and Harassment in Healthcare", we supported it. This is an important Framework as it sends a clear message that abuse and harassment would not be tolerated and condoned. It provides:

- A common definition of abuse and harassment;
- Standardisation of protocols for healthcare institutions; and
- Follow-up actions to be taken against perpetrators to protect healthcare workers and those around them.

Occupational Health and Safety	FY2023	FY2022
Fatalities	0	0
High-consequence injuries	0	0
Recordable injuries	20	2
Recordable work-related ill health cases	0	0
Hand Hygiene Compliance	95%	95%

Service Excellence

Each quarter, we would publicly recognise physicians and staff for their outstanding services. In 2023, we recognised 97 staff for service excellence.

Service Excellence	FY2023	FY2022
Customer satisfaction Index (RH Singapore)	83	82
Customer satisfaction Index (RM clinics)	71	66

Staff Well-being and Welfare

The Group provided each department with a Social Engagement Fund which the staff used to hold department staff bonding activities.

Raffles Hospital Singapore organised a week-long Staff Well-being Week, where we conducted free health screening and provided free influenza vaccination for staff. The Recreational Club conducted various social and recreational classes for the staff throughout the year.

We provided part-time staff with pro-rated benefits in accordance with their working hours, and we adhered to parental, maternity, paternity, and childcare leave guidelines according to the relevant regulations of each of the cities in which we operate.

Employees	FY2023	FY2022
Permanent Employees	2,892	2,678
Employee Turnover	745	961
Employee Turnover	25.8%	35.9%

Gender Diversity	FY2023	FY2022
Women in management	44.7%	47.3%
Female employees	75.1%	75.2%
Male employees	24.9%	24.8%
New hires (Female)	77.9%	76.6%
Employee Turnover (Female)	79.5%	74.3%
Employee Turnover (Male)	20.5%	25.7%
Women on the Board	16.7%	20.0%

Age Diversity	FY2023	FY2022
Current employees under 30 years old	19.1%	17.4%
Current employees between 30-50 years old	66.2%	67.6%
Current employees over 50 years old	14.7%	15.0%
New hires under 30 years old	37.4%	36.9%
New hires between 30-50 years old	56.2%	56.7%
New hires over 50 years old	6.4%	6.4%
Employee Turnover under 30 years old	27.5%	28.8%
Employee Turnover between 30-50 years old	60.7%	62.6%
Employee Turnover over 50 years old	11.8%	8.6%

Communities

Our Position

Community engagement is not just a strategic imperative for us aiming for sustained success in a dynamic and competitive healthcare landscape, but it is our social responsibility.

In cities where we have a stronger presence, we engage the local communities more, and we will continue to leverage on our strength to create value in these communities. In other cities, we strive to step up our engagement and contributions.

Our Approach

We strive to create value for the communities we operate in. We work with social and charitable organisations to reach out to the underprivileged. Such institutions are often more deeply connected to the specific needs and challenges of the community they serve. Collaborating with them allows us to have a direct and meaningful impact, contributing to community well-being and development. We also encourage our staff to participate actively in charitable activities.

Our Progress

The Group donated S$1,068,113 to various charities in Singapore.

The Group partnered Asian Medical Foundation (AMF), a charity and Institute of a Public Character in Singapore. The AMF aims to help needy patients and groups requiring medical treatments, and to support community projects for the vulnerable elderly.

The Group played an active role in raising funds for the AMF Silver Care Fund. In 2023, the AMF Silver Care Fund supported the following initiatives:

- All Day Breakfast. AMF partnered Kampong Glam Community Club to provide breakfasts for less privileged elderly living in one-bedroom rental flats on Saturdays.
- Esplanade Mother's Day Concert. AMF sponsored a special Mother's Day concert at the Esplanade Concert Hall on Sunday, 7 May 2023. Organised by The Esplanade, the event hosted 1,466 persons from 42 social service agencies supporting socially isolated seniors, women-in-crisis, and families-in-need. 68 staff from RMG volunteered at the event to assist the guests. The concert was also made available online and screened for 1,085 additional persons on 1 June 2023.
- Angklung Workshops. AMF sponsored nine Angklung workshops held at various senior homes and senior activity centres. The objective of the workshop was to engage the elderly to socialise and be active through learning a simple instrument and playing simple musical pieces together.

In cities where we have a stronger presence, we engage the local communities more, and we will continue to leverage on our strength to create value in these communities.

- Home+ Monitoring Programme. AMF sponsored 50 elderly to participate in Singapore Red Cross' Home+ Monitoring Programme. Each elderly received a monitoring system to be placed at home – when unusual patterns are detected or when the elderly activate the panic button, the Red Cross' Call Centre would be notified immediately and assessment could be made, and when necessary, help could be dispatched in a timely manner.

- AMF Elder Vouchers. AMF provided close to 1,000 elderly living in one-room rental flats each with a $100 grocery voucher to purchase daily necessities.

Raffles Hospital Singapore worked with a non-profit self-help group to host a group of students from lower income families. Several representatives from our senior management and various departments received the students. Our colleagues shared their own personal experiences and journeys with the students. We hoped to give the students more access and exposure outside of their environments, as well as encouragement and inspiration.

Our staff at Changi International Airport continued to collaborate with Changi Airport Group employees to run activities for Meta School, which is a non-profit organisation that serves students with mild intellectual disability and autism spectrum disorders.

Our staff in Singapore mobilised their colleagues to come together to hold a flea market sales event to raise fund for the Autism Resource Centre, a registered charity in Singapore. The Centre serves children and adults on the autism spectrum to help them lead meaningful and independent lives in society through advocacy and provision of services in education, employment, and empowerment of family caregivers and professionals.

To recognise the contributions of staff who are volunteering for charitable and social causes, and to encourage more staff to volunteer, the Group adopted a policy to recognise staff volunteering at charities.

The Group continues to offer scholarships to foreign and local students in Singapore tertiary education institutions, and maintain a Bursary Programme for staff's children to recognise their efforts in school. In 2023, the Group awarded 4 scholarships and 16 bursaries.

Community Engagement	FY2023	FY2022
Employee Volunteerism (number of hours)	796	7,176*
Community Training Places - number of external people / community first responders trained	2,041	1,599
Internship and Clinical Attachments	379	429

* *Volunteerism hours in FY2022 was higher due to Raffles China Healthcare staff volunteering in various events.*

GOVERNANCE

As a healthcare provider and a company listed on the stock exchange, complying with relevant laws and regulations, including those related to healthcare delivery, listing requirements, labour standards, and ethical business practices, is fundamental.

Corporate Governance

Our Position

Governance is crucial to us because of the role it holds in ensuring that we deliver healthcare responsibly, ethically, and sustainably, and that we deliver values to our stakeholders.

The governance structures that we put in place, including our Board of Directors, our Management Executive Committee, our Professional Governance Committees, are responsible for setting ethical guidelines and ensuring that we deliver care and operate with integrity. With these robust governance structures in place, we can navigate potential risks related to regulatory compliance, social controversies, and environmental issues.

Our Approach

Our Directors are key to the Group's effective governance, setting of strategic direction, overseeing the management, protecting shareholder interests, and making critical decisions that shape the Group's trajectory. Through robust governance structures, our Directors, together with our senior management and physician leaders, establish and uphold ethical standards, fostering a culture of integrity within the Group. This is particularly relevant in the context of increasing emphasis on sustainability considerations.

We strive to constitute and maintain a strong Board of Directors. This involves assessing and refreshing the composition, skills matrix and competencies, and experience of Board members to ensure that it is well-equipped to address evolving opportunities and challenges. A robust succession planning process has also been established to identify potential Board members, ensuring a smooth transition and continuity of effective leadership. We will uphold the reputation and performance of the Group so that we can continue to retain and attract good people.

The existing physician leaders possess impeccable credentials, competence and experience, and they are highly regarded and respected. To ensure the resilience and effectiveness of our physician leadership in guiding the Group towards sustained success in medical excellence and care delivery, we also strive to identify and groom physicians for physician leadership roles. We have developed a robust succession planning process that identifies high-potential physicians and grooms them for leadership roles. This involves assessing leadership competencies, medical professionalism, and ethics and integrity.

Our Progress

We are appreciative that our efforts, including those on corporate governance, have been recognised. In 2023, RMG was selected by The Edge Singapore as the "Overall Sector Winner" under "Healthcare Services, Pharmaceutical, Biotechnology and Medical Research" category. RMG also received the "Most Transparent Company Award" for "Healthcare" category at the Securities Investors Association of Singapore's (SIAS) 2023 Investors Choice Award, an event that recognises excellence in companies adopting good corporate governance practices.

Code of Conduct

Our Position

We take the execution and enforcement of ethical healthcare delivery, business practices, and operational integrity seriously. Ethical practices and operational integrity are seen not merely as a set of rules or procedures to follow, but as a fundamental aspect of our identity, aligning our values with those of our stakeholders. Our stance on any form of bribery, corruption and non-compliance is firm.

With operations in 14 cities across five countries in Asia, we deal with a wide array of regulations, guidelines and codes, as well as a vast number of stakeholders, including regulators. We need to, and we strive to, ensure compliance with all relevant regulations, policies, guidelines, and codes, or we will be exposed to high business and ethical risks, including legal and reputational risks, potential financial costs, and erosion of trust. Ethical practices, codes of governance and conduct together with operational integrity help to prevent ethical lapses, misconduct, corruption, and conflicts of interests.

Our Approach

We have implemented an approach that combines strong leadership with a robust system to enforce ethical practices, which includes a set of policies and channels for reporting ethical concerns and ensuring anonymity and protection for whistleblowers, and rigorous oversight. As part of the approach, regular audits are conducted to help identify potential ethical lapses and ensure compliance with regulations.

Policies

These are some of the policies we have put in place:

- Anti-bribery and anti-corruption
- Declaration of external business and other interests
- Gift declaration
- Supplier Code of Conduct
- Whistleblowing policy

Declaration

Our staff are required to declare any conflicts of interest yearly to maintain transparency, integrity, and ethical conduct.

Training

As part of our new staff orientation programme, we conduct training to help new staff understand the importance of ethical decision-making and provide practical guidance on navigating ethical dilemmas, as well as consequences of misconduct. We send out periodic communications to all staff on our expected code of conduct. In late 2023, we mandated more staff to attend a course on anti-bribery and anti-corruption to understand the principles and consequences of bribery and corruption by first quarter of 2024. The course also covers policies related to anti-bribery and anti-corruption. At the end of FY2023, 408 staff (14 per cent of total) have completed the anti-bribery/anti-corruption training course. Those who are required to attend have until April 2024 to complete the training.

Internal Audit

Our internal audit department conducts independent audit on operations and sustainability disclosures. It also conducts investigation on complaints, misconducts, and whistleblowing.

Feedback and Whistleblowing

We collect feedback and complaints from patients and customers, and these are handled by a designated department in a timely manner. They will be escalated to the relevant department and, where relevant to the management, for follow up. We compile and analyse the data and provide monthly reports to the management.

We have in place a whistleblowing policy and process to allow staff to raise concerns about wrongdoings or malpractice within the Group which they become aware of. We encourage staff to report whenever they have knowledge, or genuine suspicion of a wrongdoing occurring in any area of the Group. All reports will be handled confidentially, sensitively, fairly, and discreetly. The reports go the Executive Chairman of the Group and/or Chairman of the ARC. A report on the complaint, findings of the investigation and follow-up actions taken will be submitted to the Board of Directors. The ARC has the responsibility for maintaining, reviewing, and updating this policy. Any changes made to the policy will be notified to the staff.

Supplier Code of Conduct

We put in place our Supplier Code of Conduct (Code) in 2023. We are committed to conducting our businesses and operations with high standards of ethics and integrity. We aim to collaborate with our suppliers to create and maintain a sustainable supply chain. This Code stipulates the minimum standards of conduct which we expect from suppliers providing goods and/or services to the Group and compliance with the Code is a condition to contract. It also applies to all staff, group entities, subcontractors and others who act on suppliers' behalf. If the standards and requirements imposed under this Code are not effectively upheld or met, we reserve the right to suspend any contract or agreement with the supplier until satisfactory improvement is demonstrated.

Cyber Security and Data Protection

Our Position

We serve more than 2.8 million patients and more than 7,000 corporate customers. And we are growing. Accordingly, patient data, i.e. patient medical records, is ranked at the apex of security measures and protection due to the sensitive nature of the information involved and potential consequences of unauthorised access.

Maintaining the confidentiality and integrity of patient data is of utmost importance. Breaches in patient data, and patient record system, are serious privacy violations. It is not just a legal and ethical imperative. Reputation, confidence, and trust built over the years could be severely eroded.

We are mindful that we remain vulnerable to acts of mischiefs or acts of cyber threats. We do not view cyber risk as static, and cyber risk never goes away. We believe cyber-criminals are constantly looking out for vulnerabilities and evolving their methods to exploit newly exposed loopholes and vulnerabilities. We believe that only by taking a dynamic forward-looking stance can we keep up with the state of play and mitigate disruptions in the future.

Our Approach

We adhere to security-related best practices adopted by the Healthcare and Financial Services industries. To safeguard patient data and record, we have put in place cybersecurity measures, including access controls, traffic surveillance and monitoring, regular audits, and staff training on data security protocols. For example, robust access controls involve limiting access to patient records only to authorised personnel and ensuring that each user has the appropriate level of access based on their role within the Group.

The safeguard measures also serve to protect patient data during storage, transmission, and processing. We will regularly update our security protocols to align with industry best practices and this helps the Group keep abreast of emerging security threats and strengthens the overall resilience of our data protection measures.

As security is only as strong as people's understanding of why security matters, we conduct regular staff training on cybersecurity best practices to raise awareness of security issues and create a robust security culture. This reinforces the measures to create a robust framework for safeguarding patient data and maintaining the integrity of healthcare records.

Our Progress

We have put in place a robust framework and have attained ISO 27001 certification for our information security management system. The Group has been audited against the Monetary Authority of Singapore Technology Risk Management Framework.

The security technologies that we have put in place include various firewalls to prevent intrusions and exploits, and security monitoring, among others. To supplement our efforts, we engaged external experts to advise the Group on IT security-related matters.

During orientation, we also put our staff through orientation and e-training to provide them with IT security knowledge, and they are also provided with regular updates on the latest cyber-security threats and best practices.

In 2023, the Group was awarded the Cyber Essentials Mark by Cyber Security Agency of Singapore.

Membership in Associations

As part of our commitment to excellence, we join professional associations that contribute to upholding quality, ethics, and professionalism within healthcare. In places where we have operations, these are some of the associations that we are members of

Singapore
- Alpha Omega Alpha Honour Medical Society
- Duke-NUS Medical School
- Lee Kong Chian School of Medicine
- Singapore Dental Council
- Singapore Medical Association
- Singapore Medical Council
- Singapore Nursing Association
- Singapore Nursing Board (Insurance/ overseas)
- Traditional Chinese Medicine Practitioner's Board
- Yong Loo Lin School of Medicine

China
- Society of Paediatric Research
- International Society of Haemodialysis
- International Society of Peritoneal Dialysis
- American Federation of Medical Research

Japan
- Japan Medical Association
- All Japan Hospital Association

ENVIRONMENT

We believe that by doing the right things, and doing things right, we can contribute to our environment. Our business is healthcare and about our people, but our actions also have effects and consequences for people who are not immediately involved with the Group and outside of the Group.

Water & Energy

We are committed to making appropriate energy and water consumption choices so that we can reduce energy and water wastage and reduce over-consumption.

Our Position

Delivering healthcare, especially running hospitals, needs reliable supply of (clean) water and energy. While we have ready access to water and energy in the places where we operate, we are mindful that they are important and valuable resources and that in many other places, these are scarce resources.

We are committed to making appropriate energy and water consumption choices so that we can reduce energy and water wastage and reduce over-consumption. We strive to balance our needs and ESG considerations. We are mindful that not appropriately managed, these contribute to more emissions.

Our Approach

Based on our 2023 survey of stakeholders, close to 90 per cent of participants said that “clinical quality” and “patient safety” were “very important” to them.

Reliable supply of water and energy is essential for our hospitals and clinics to provide continuous, high-quality patient care, maintain sanitation standards, and ensure the proper functioning of critical medical equipment and systems.

We need reliable supply of energy for, among others,

- Delivering patient care. Our hospitals, and our clinics to a lesser extent, rely on medical equipment, many of which require stable energy supply. These include life-support systems, diagnostic machines, and monitoring devices. Also, many areas within hospitals, such as operating rooms and patient wards, require regulated temperatures, which often involves heating, ventilation, and air conditioning (HVAC) systems that depend on a stable energy supply.
- Maintaining and accessing medical records. Our patient data is stored electronically. A continuous energy supply ensures that medical records are accessible and kept up-to-date, contributing to effective patient care.
- Storing pharmaceuticals. Many medications and vaccines require refrigeration to maintain their effectiveness. A stable energy supply ensures that these critical pharmaceuticals are stored at the necessary temperatures.

We also need reliable clean water supply, as this is essential for, among others, maintaining proper hygiene within our hospitals and clinics. It is crucial for sterilising medical equipment, cleaning facilities, and preventing the spread of infections.

As such, our approach is granular – we look at ways to achieve better efficiency in areas where the quality of healthcare delivery and patient safety will not be compromised.

Our Progress

On Water

Consumption of water at our facilities only increased marginally even when more patients came for services and treatments, and more staff returned to the office since 2022. With effect from FY2023, we will be using revenue as our base for calculating water consumption intensity, instead of GFA, as this is a more meaningful approach.

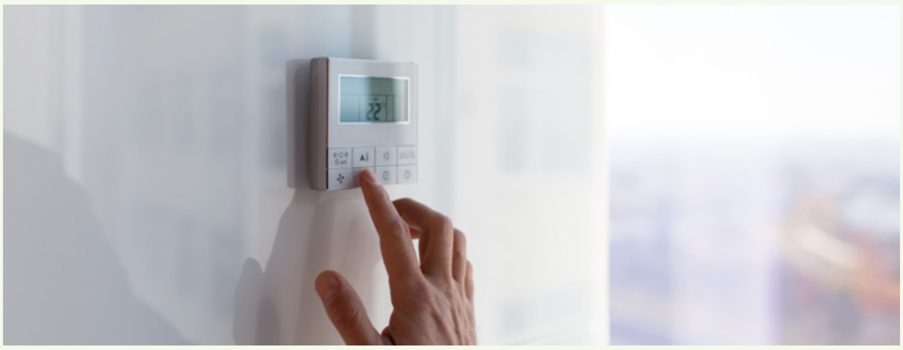
We installed a new water treatment system for cooling equipment at Raffles Hospital Singapore. With this new system, we are able to reduce water wastage and the use of chemical in our cooling tower maintenance. Our Raffles Hospital Chongqing and Raffles Hospital Shanghai, being newer facilities, have installed similar systems from the onset.

We ensured that regular and timely inspection and maintenance of plumbing systems in all our facilities were carried out. This helped, and will continue to help, to address leaks and potential leaks promptly, and to prevent water wastage.

On Energy

The consumption of energy remained stable. Neither the return of more patients to our facilities, nor staff to the office, resulted in a significant increase in energy consumption. This was within our expectation – in terms of energy consumption, we have been mindful of energy management and maintaining efficiency. With effect from FY2023, we will be using revenue as our base for calculating energy consumption intensity, instead of GFA, as this is a more meaningful approach.

For larger facilities, it is important to have energy efficient HVAC systems. We installed a hybrid DC inverter air conditioning system at Raffles Hospital Singapore. This system collects thermal energy from the surrounding and the outdoor air conditioning units and uses this energy to maintain the pressure in the compressor, thereby reducing energy consumption to run the refrigeration cycle. For our three hospitals in China, we installed energy efficient HVAC systems from the onset. We continue to carry out regular maintenance of our HVAC systems at our facilities to obtain optimal performance.



Water consumed	FY2023	FY2022
Total water consumed by the Group (Cu M)	161,192.4	157,398.0
Water consumption intensity (Cu M/revenue S$'000)	0.23	0.19

Energy consumed	FY2023	FY2022
Total electricity consumed by the Group (MWh)	28,689.6	28,404.1
Energy consumption intensity (MWh/revenue S$'000)	0.04	0.03

To allow us to monitor energy usage, our hospitals in Chongqing and Shanghai have installed energy management systems to monitor energy usage in real-time.

On appliances and equipment, including for medical procedures and laboratory work, where practical and available, we purchased, and will continue to purchase, those that are rated energy efficient. We continue to ensure that appliances and equipment are maintained regularly so that they operate efficiently and safely, thus reducing energy wastage.

Our newer facilities in Singapore have been fitted with energy efficient lighting fixtures from the onset. We started replacing existing lighting fixtures with energy efficient ones in our older facilities. For our hospitals in Beijing, Shanghai and Chongqing, they were fitted with energy efficient lighting fixtures from the onset.

We will continue to implement measures, and look out for innovative solutions, that will help us improve our energy and water consumption, thus reducing wastage.

We also believe behavioural solutions, including shifting of mindsets and changing of habits, are important to sustainability, and these will have lasting positive impacts inside and outside our facilities. In 2023, we started sending regular emails to our staff on various sustainability and conservation matters. We will continue to promote greater awareness of ESG, including water and energy conservation.

Environmental Compliance

Our Position

Being environmentally compliant means adhering to specific regulations and standards that are in place to manage and treat waste specific to the healthcare sector, as well as general regulations on the management and treatment of general waste. We deem environmental compliance important for minimising the impact of our activities on our ecosystems, air and water quality, and overall environmental health.

Our Approach

We produce certain amount of general waste and biohazard waste from our operations and activities. As a healthcare provider, we comply strictly with regulatory requirements for patient safety and quality of healthcare. These regulations, which often dictate specific procedures and protocols, can lead to waste generation. For example, infection control and preventive measures often require the use of disposable items, such as single-use medical devices and equipment, as well as personal protective equipment. While these items contribute to patient safety (and the safety of physicians and staff), they turn into "waste" after use.

Understanding Applicable Regulations

In Singapore and in the other cities where we operate, we strive to identify and understand the environmental regulations (national level, and local level, where applicable) that apply to the healthcare industry. As health regulations and environmental regulations are subject to change, we have colleagues who monitor developments to help us keep abreast of changes that may affect our operations.

We pro-actively engage regulators. We maintain open communication with relevant health and environmental regulators to, among others, promptly seek guidance and clarification on regulations.

Conducting Environmental Audits

We conduct regular environmental audits of Raffles Hospital Singapore to assess compliance with applicable regulations. These audits help us to identify areas of improvement and ascertain that our operations align with regulatory requirements.

Managing Emissions

We believe we need to work with, and obtain advice and input from, domain experts that have the knowledge, practical experience, technology, and who are tracking developments in the space closely.

Managing General Waste

We provide ongoing education to hospital staff on waste management best practices. This includes proper sorting, disposal, and handling of different types of waste. We strongly encourage our staff to print less and recycle paper.

Managing Biohazard Waste

We adhere to the strict regulations and guidelines governing the disposal of medical waste and biohazard waste in Singapore and in all other jurisdictions where we operate. The strict requirements are there to ensure the safety of patients, staff, and the public, as well as to protect the environment.

Dealing with Suppliers

We are mindful that besides what we produce from our operations and activities, our supply chain – the production and transportation of pharmaceuticals, chemicals, medical devices and hospital equipment, etc. – also produces wastes and emissions.

Training Staff and Creating Awareness

We provide training to relevant staff so that they understand the healthcare-related environmental policies and procedures, and the actions that they need to take in order to maintain compliance.

Investing in Technologies and Sustainable Practices

We are open to investing in technology and sustainable practices that can help us reduce our impact on the environment.

Our Progress

These are some of the additional practices that we have adopted to enhance our environmental compliance, reduce our environmental impact, and contribute to sustainable and responsible business practices:

Managing Emissions

We engaged an external consultant that provides services on tracking and calculating emissions. With this, we are able to plan towards reducing emissions. FY2023 is our baseline year for tracking Scope 1 and Scope 2 emissions.

GHG Emissions (tCO2e):

Scope 1 emissions
Group: 1,644.9
Singapore: 239.9
China: 1,405.0

Scope 2 emissions
Group: 17,489.2
Singapore: 6,976.6
China: 10,512.6

Managing General Waste

Our efforts to encourage more re-cycling continued to produce good results. We have been making conscious efforts to recycle paper. Significant results were achieved in 2023 where we recycled 129.6 tons of paper, which was 56 per cent higher than what we achieved in 2022. Likewise, outside of medical consumables, we have been pushing for the use of less plastic, including bottled water. Thus, there was a reduction of about 100 kg of plastic waste in 2023.

Managing Biohazard Waste

We continue to adhere to the strict regulations and guidelines governing the disposal of medical waste and biohazard waste in Singapore and in our overseas facilities. The strict requirements are there to ensure the safety of patients, staff, and the public, as well as to protect the environment. The amount of biohazard waste generated by the Group in 2022 was higher than in 2023 was due to COVID-19 activities, where significant amount of swabs and vaccinations were done, and personal protection equipment (including disposable masks, gloves and gowns) were used.

Dealing with Suppliers

We introduced our “Supplier Code of Conduct” and registered our requirements and expectations by getting our suppliers to acknowledge our “Supplier Code of Conduct”. A copy of this Code is available on our website.

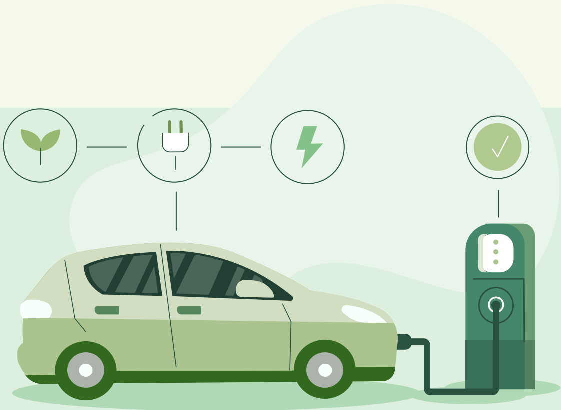
Waste generated by the Group (metric ton)	FY2023	FY2022
General waste	796.1	830.8

Paper consumed by the Group (metric ton)	FY2023	FY2022
Paper consumed	43.6	46.0

Recycling by the Group (metric ton)	FY2023	FY2022
Paper recycling	129.6	83.0
Plastic recycling	0.6	0.7
Metal recycling	1.2	0.8

Biohazard waste generated by the Group (metric ton)	FY2023	FY2022
Biohazard waste	1,748.5	2,060.5

Sustainability Adaptation and Mitigation



Part of our adaptation and mitigation efforts is to support government initiatives, and work closely with business partners, including government agencies, that are championing sustainability.

Our Position

What we are doing in adaptation, as in mitigation, is to continue to identify those measures that we can quickly embark on, some of which some could be adopted with relative ease.

Our Approach

Part of our adaptation and mitigation efforts is to support government initiatives, and work closely with business partners, including government agencies, that are championing sustainability.

The Singapore Government is pro-active in preparing Singapore for the impact of climate change. It has launched many go-green initiatives and net-zero initiatives. For our Singapore operations, we are open to supporting relevant initiatives. For example, we supported the Singapore Public Utilities Board's (PUB) Smart Water Meter Programme. Also, we will look at the Enhanced Vehicular Emissions Scheme (VES) at an appropriate time.

The Chinese Government is also actively integrating climate change priorities into its overall plan for promoting economic and social development. Among others, China has fine-tuned policies at the national and local levels for the control of total energy consumption and energy consumption intensity, management of targets for energy consumption intensity reduction, and those to promote energy-saving technologies, including building energy efficiency.

Our operations in China will align with relevant policies that promote sustainability.

Our Progress

We are studying the installation of EV charging stations at Raffles Hospital Singapore to support our visitors and staff who drive EVs. Also, we will transit our ambulance fleets across our facilities to cleaner energy vehicles.

Task Force On Climate-Related Financial Disclosures

This section covers RMG's report on Task Force on Climate-related Financial Disclosures (TCFD). We focus this section on our hospital operations in Singapore and China, as we deem them to be material based on the scale of operations. This report covers the financial year ended 31 December 2023.

We are committed to sustainability, and we have shared our position, our approach, and our progress (which will be updated from time to time) in the earlier sections.

This section covers our journey to assess and determine climate-related risks and opportunities, and to anticipate our responses to a probabilistic trajectory, i.e. how climate-change could impact our strategy and the way we conduct business (deliver quality healthcare).

As the net-zero space continues to evolve, we will continue to build our knowledge on climate-change, as well as monitor regulatory requirements and changes. We shall regularly review and update what we have put forth and will approach external domain experts, when required.

The Locations of Our Hospitals

When deciding where to have our hospitals, factors such as accessibility to patients, access to energy supply, access to water supply, susceptibility to flooding, access to sewage are important considerations for us. Our hospitals in Singapore and China are situated in ideal locations – they are accessible to patients by public transportation, the immediate areas are less susceptible to flooding, they are not directly affected by rising sea level, and they are in areas with healthy energy grids and water distribution systems.

A. Governance

(Disclose the organisation's governance around climate-related risks and opportunities)

(a) Describe the board's oversight of climate-related risks and opportunities.

(b) Describe the management's role in assessing and managing climate-related risks and opportunities.

We have provided our Board Statement on sustainability, which states the Board's role and responsibility on sustainability, and our Sustainability Governance Approach, which states our management's role and responsibility on sustainability, including climate-related risks and opportunities. In brief:

- RMG's Board and the ARC provide the corporate governance oversight to ensure that ESG considerations and sustainability material issues continue to be integrated into the Group's business strategy as appropriate.
- The ARC is responsible for, among others, sustainability. The ARC provides strategic direction to, and oversight of, our ESG priorities and commitments, including our environmental sustainability strategy and climate-related efforts, risk management and internal controls, social responsibility program, and our risk, ethics, and compliance programs.
- The Management reports to the ARC on the Group's alignment with relevant sustainability obligations and the Group's sustainability performance.

B. Strategy

(Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.)

(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Our baseline year for TCFD reporting is FY2023. For the 2023 exercise, we took reference from the Recommendations of the TCFD (Final Report), which divides climate-related risks into two major categories:

- Risks related to transition to a lower-carbon economy. The TCFD sees transitioning to a lower-carbon economy to entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change.

- Risks related to the physical impacts of climate change. The TCFD sees physical risks resulting from climate change to be event driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications, such as direct damage to assets and indirect impacts from supply chain disruption.

We note that the TCFD Final Report also sees efforts to mitigate and adapt to climate change to also produce opportunities, and that climate-related opportunities may vary depending on the region, market, and industry.

For our TCFD report, we have adopted the following parameters:

- Time horizon.
  Short-term: Up until 2030
  Medium-term: 2031 to 2040
  Long-term: Beyond 2040

- Climate-related scenario.
  Mean global temperature rise of 1.5°Celsius above pre-industrial levels.

For a private healthcare provider, the temperature rise of 1.5°C is an adequate scenario for us to make climate-related risks and opportunities assessments. While climate change is a global process, it has both local and regional impacts on communities. We are focused on places where we have material operations.

We are mindful that the 1.5°C threshold describes a long-term average rather than a single-year anomaly and the measure will always be backward-looking, with the precise moment the world crossed the 1.5°C mark clear only in retrospect.

We note that the Intergovernmental Panel on Climate Change (IPCC) said in its Special Report on Global Warming of 1.5°C (October 2018) that, "Multiple forms of knowledge, including scientific evidence, narrative scenarios and prospective pathways, inform the understanding of 1.5°C," and, "There is no single answer to the question of whether it is feasible to limit warming to 1.5°C and adapt to the consequences."

- We are looking at our four hospitals in Singapore (one) and China (three), and the climate-related risks and opportunities of these hospitals.

For our hospitals in China, instead of treating them as "one" entity, because they are located in one country, we are treating them as three separate entities as they are located in distinctly different regions (different latitudes and different proximities to the sea/water bodies, among other things), which may present each with different climate-related risks and opportunities. Treating them as separate entities makes it more meaningful for us to review and update assessments moving forward.

We reference the IPCC's Special Report on Global Warming of 1.5°C (October 2018), "These risks depend on the magnitude and rate of warming, geographic location, levels of development and vulnerability, and on the choices and implementation of adaptation and mitigation options."

Should we come to operate more hospitals, we will assess and decide whether such operations are material and whether to include them.

- We expect prices for energy and water to continue to increase. This will be a common challenge for all businesses - more for some, and less for others.

As a healthcare operator, in particular hospitals operator, we must be able to continue to provide high-quality patient care and ensure patient safety. We will consume these resources mindfully, responsibly, and adapt accordingly. As such, we will not list them in our climate-related risks/opportunities.

From the entity risk assessment exercise, we gathered a preliminary list of climate-related risks. We also conducted a preliminary climate-related opportunities screening. The preliminary list of risks and opportunities, and possible financial impacts, are tabled below.

We regard these as preliminary as these were derived based on certain information available to us at the point of the exercises, as well as the operating contexts we were in.

We will review the list of climate-related risks and opportunities after each entity risk assessment exercise, or when new information is available and when operating conditions evolve.

Business type: Healthcare services provider

- Regulated by the health authorities of the jurisdictions that we operate in, and the local health bureaus, where relevant, on healthcare services delivery and provision of auxiliary services.
- Regulated by the health authorities and other relevant authorities on the registration of physicians, nurses, allied health professionals and other professionals.
- Regulated by the health authorities and other relevant authorities on waste (including biohazard waste) management and disposal.

Material Operations: Singapore, China

Climate-related Risks			Singapore
Transitional Risks	Types	Possible changes	Possible impact
	Policy & Legal	• More policy and regulatory changes relating to emissions, energy-efficiency, water-efficiency.	• On-going: More resources required to consult, track and meet relevant (and applicable) policy and regulatory requirements.
		• More onerous emissions reporting requirements.	• On-going: More resources required to consult and to fulfil relevant (and applicable) reporting requirements.
	Technology	• More effective renewable energy technology comes into market.	• Mid-term: May require capital investment in adopting renewable energy technology (e.g. solar panels).
	Market	• More demand for healthcare services related to climate change and environment deterioration.	• Short-term: More resources required for expanding services and capacities, including telemedicine, to treat illness related to climate change and environment deterioration. • Short-term: Need to retain existing and / or look for more physicians / nurses / allied health professionals with relevant expertise, training, experience.
	Reputational	• Ability to meet demand for healthcare services for illness related to climate change and environment deterioration in a timely manner.	• Short-term: More resources required for expanding services and capacities, including telemedicine, in a timely manner to treat illness related to climate change and environment deterioration.

Beijing	Chongqing	Shanghai
Possible impact	**Possible impact**	**Possible impact**
• On-going: More resources required to consult, track and meet relevant (and applicable) policy and regulatory requirements		
• On-going: More resources required to fulfil relevant (and applicable) reporting requirements.		
• Mid-term: May require capital investment in adopting renewable energy technology (e.g. solar panels).	• Short to Mid-term: May require capital investment in adopting renewable energy technology (e.g. solar panels).	• Short to Mid-term: May require capital investment in adopting renewable energy technology (e.g. solar panels).
• Short-term: More resources required for expanding services and capacities, including telemedicine, to treat illness related to climate change and environment deterioration. • Short-term: Need to retain existing and / or look for more physicians / nurses / allied health professionals with relevant expertise, training, experience.	• Short-term: More resources required for expanding services and capacities, including telemedicine, to treat illness related to climate change and environment deterioration. • Short-term: Need to retain existing and / or look for more physicians / nurses / allied health professionals with relevant expertise, training, experience.	• Short-term: More resources required for expanding services and capacities, including telemedicine, to treat illness related to climate change and environment deterioration. • Short-term: Need to retain existing and / or look for more physicians / nurses / allied health professionals with relevant expertise, training, experience.
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Climate-related Risks			Singapore
	Types	Possible changes	Possible impact
Physical Risks	Acute	• Increased severity of extreme weather events.	• On-going: Higher costs due to negative impacts on workforce (e.g. health, safety, absenteeism).
	Chronic	• Rising mean temperature.	• Mid to Long-term: Higher costs due to negative impacts on workforce (e.g. health, safety, absenteeism).

Climate-related Opportunities		Singapore
Types	Possible changes	Possible impact
Products & Services	• Providing more services to meet higher demand for treatments for illness related to climate change and environment deterioration.	• Mid to Long-term: Increased revenue from providing care and follow up services. • On-going: Reputational benefits resulting in increased demand for care and follow up services.
Markets	• Providing care and services to new market segments.	• Mid to Long-term: Increased revenue from providing care and follow up services. • On-going: Reputational benefits resulting in increased demand for care and follow up services.
Resilience	• Collaborating with government to provide care and follow up services for wider population.	• On-going: Increased revenue from providing care and follow up services. • On-going: Reputational benefits resulting in increased demand for care and follow up services.

Beijing	Chongqing	Shanghai
Possible impact	**Possible impact**	**Possible impact**
• On-going: Higher costs due to negative impacts on workforce (e.g. health, safety, absenteeism).	• On-going: Higher costs due to negative impacts on workforce (e.g. health, safety, absenteeism).	• On-going: Higher costs due to negative impacts on workforce (e.g. health, safety, absenteeism).
• Mid to Long-term: Higher costs due to negative impacts on workforce (e.g. health, safety, absenteeism).	• Mid to Long-term: Higher costs due to negative impacts on workforce (e.g. health, safety, absenteeism).	• Mid to Long-term: Higher costs due to negative impacts on workforce (e.g. health, safety, absenteeism).

Beijing	Chongqing	Shanghai
Possible impact	**Possible impact**	**Possible impact**
• Mid to Long-term: Increased revenue from providing care and follow up services. • On-going: Reputational benefits resulting in increased demand for care and follow up services.	• Mid to Long-term: Increased revenue from providing care and follow up services. • On-going: Reputational benefits resulting in increased demand for care and follow up services.	• Mid to Long-term: Increased revenue from providing care and follow up services. • On-going: Reputational benefits resulting in increased demand for care and follow up services.
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• On-going: Reputational benefits resulting in increased demand for care and follow up services.	• On-going: Reputational benefits resulting in increased demand for care and follow up services.	• On-going: Reputational benefits resulting in increased demand for care and follow up services.

(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

We regularly assess our framework for formulating our organisation strategy to ensure its resilience, comprehensiveness, effectiveness, and relevance. Our strategy is grounded in a strong foundation of values, a clear sense of purpose, and immense experience of the people of Raffles, providing a guiding framework even during turbulent times. Through the years, we have demonstrated the resilience of our strategy through our ability and capacity to navigate uncertainties, adapt to change, and maintain effectiveness.

We believe our enhanced ERM framework contributes to us making resilient strategy. We adopt a group-wide approach towards risk management.

We will continue to uphold our core institutions. We strive to continue to constitute a strong and experienced Board of Directors to provide strategic direction, oversee management, protect shareholder interests, and make critical decisions that shape the Group's trajectory. We continue to foster a close working relationship between the Board and Management in planning scenarios, developing policies, managing risks, anticipating and responding to external disruptions to stay ahead of potential challenges. Our physician leaders contribute towards the Group's sustained success in medical excellence and care delivery. Our competent, knowledgeable, skilled, and well-trained staff continue to contribute to the efficient operations of our facilities.

We have also been developing resilient capabilities. Among others, we have built our capability to handle surges in demand, fostering a more agile response to healthcare-related challenges, adapting our processes to increase reach and capability, promoting new technologies (telemedicine), and ensuring capacity training for staff.

C. Risk Management

(Disclose how the organisation identifies, assesses, and manages climate-related risks.)

(a) Describe the organisation's processes for identifying and assessing climate-related risks.

We adopt a group-wide approach to risk management. The Group worked with an established external consultant to review and enhance our ERM framework, including risk governance structure. We have since enhanced our ERM framework, including the methodology, to identify and assess risks, including climate-related risks.

The respective business heads are accountable for enterprise risks. They identify, measure and escalate risk information to the ERM function, who coordinates risk management activities and risk information flow across the Group. The ERM Head reports to the Management Risk Committee (MRC).

We continue to conduct regular Enterprise Risk Assessment exercise at least once a year to keep up to date on our risks. We will also review our ERM framework from time to time to ensure its relevance and to keep up to date with regulatory requirements.

(b) Describe the organisation's processes for managing climate-related risks.

From the risk assessment exercise that we conduct yearly, we would identify a preliminary list of risks, including climate-related transition risks and physical risks and preliminarily assess their possible impacts on our business, including financial and operations.

Our business heads scan for risks, including climate-related risks, and formulate detailed action plans for the Group's key risks events. They report to the ERM function as per our ERM framework. The ERM Head coordinates risk management activities and risk information flow across the Group. At the MRC, which oversees our ERM, deliberations, planning, and decision making will be undertaken.

The MRC reports to the ARC. The Group works towards integrating climate-related risks and opportunities into the Group's strategy, respective business unit's operational strategies, as well as the Group's business continuity planning. The MRC ensures that such strategies are integrated and executed.

(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Processes for identifying, assessing, and managing risks, including climate-related risks, form part of our ERM framework. We have added the environment dimension in our risk identification process, risk assessment process, risk treatment, risk monitoring, and risk reporting.

D. Metrics and Targets

(Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.)

(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Please refer to the earlier section, "Approach to Sustainability", of this report for our pillars and material topics.

(b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

The GHG emissions for our Group for FY2023 were:

- Group Scope 1 emissions: 1,644.9 (tCO_2e)
- Group Scope 2 emissions: 17,489.2 (tCO_2e)

We will continue to explore various suppliers of water and energy, including purchasing from different grid operators and suppliers where available, or blend our energy consumption with renewable energy. We will consume these resources mindfully and responsibly and adapt accordingly.

(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Please refer to the earlier section, "Approach to Sustainability", of this report.

GRI CONTENT INDEX

Statement of Use

RMG has reported the information cited in this GRI content index for FY2023 with reference to the GRI Standards.

GRI 1 used

GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	About Raffles Medical Group p.2 Operations Review p.26
	2-2 Entities included in the organization's sustainability reporting	About Raffles Medical Group p.2 Sustainability Report p.34
	2-3 Reporting period, frequency and contact point	Sustainability Report p.34
	2-4 Restatements of information	Environment p.60
	2-5 External assurance	External assurance has not been sought for this report. We may consider seeking external assurance for future reports.
	2-6 Activities, value chain and other business relationships	About Raffles Medical Group p.2 Financial Highlights p.8 Financial Report p.112
	2-7 Employees	About Raffles Medical Group p.2 Our Targets and Performance Highlights p.41 Our Staff p.48
	2-8 Workers who are not employees	Information unavailable. Further analysis required.
	2-9 Governance structure and composition	Board Statement p.36 Governance on Sustainability and Risk p.44 Corporate Governance Report p.77
	2-10 Nomination and selection of the highest governance body	Board Statement p.36 Governance on Sustainability and Risk p.44 Corporate Governance Report p.77
	2-11 Chair of the highest governance body	Board Statement p.36 Governance on Sustainability and Risk p.44 Corporate Governance Report p.77
	2-12 Role of the highest governance body in overseeing the management of impacts	Board Statement p.36 Governance on Sustainability and Risk p.44 Corporate Governance Report p.77
	2-13 Delegation of responsibility for managing impacts	Board Statement p.36 Governance on Sustainability and Risk p.44 Corporate Governance Report p.77
	2-14 Role of the highest governance body in sustainability reporting	Board Statement p.36 Governance on Sustainability and Risk p.44 Corporate Governance Report p.77
	2-14 Role of the highest governance body in sustainability reporting	Governance on Sustainability and Risk p.44 Corporate Governance Report p.77
	2-16 Communication of critical concerns	Governance on Sustainability and Risk p.44 Corporate Governance Report p.77
	2-17 Collective knowledge of the highest governance body	Corporate Governance Report p.77
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report p.89
	2-19 Remuneration policies	Corporate Governance Report p.92
	2-20 Process to determine remuneration	Corporate Governance Report p.89
	2-21 Annual total compensation ratio	Information unavailable. Further analysis required.

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Chairman's Message p.10 Board Statement p.36 Approach to Sustainability p.38
	2-23 Policy commitments	Board Statement p.36 Approach to Sustainability p.38
	2-24 Embedding policy commitments	Board Statement p.36 Approach to Sustainability p.38 Governance on Sustainability and Risk p.44 Corporate Governance p.54 Corporate Governance Report p.77
	2-25 Processes to remediate negative impacts	Approach to Sustainability p.38 Governance on Sustainability and Risk p.44 Corporate Governance p.54 Corporate Governance Report p.77
	2-26 Mechanisms for seeking advice and raising concerns	Approach to Sustainability p.38 Governance on Sustainability and Risk p.44 Corporate Governance p.54 Corporate Governance Report p.77
	2-27 Compliance with laws and regulations	Board Statement p.36 Governance on Sustainability and Risk p.44 Corporate Governance p.54 Corporate Governance Report p.77
	2-28 Membership associations	Membership in Associations p.57
	2-29 Approach to stakeholder engagement	Approach to Sustainability p.38
	2-30 Collective bargaining agreements	Our Staff p.48
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Approach to Sustainability p.38
	3-2 List of material topics	Approach to Sustainability p.38
	3-3 Management of material topics	Approach to Sustainability p.38
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Highlights p.8 Financial Report p.112
	201-2 Financial implications and other risks and opportunities due to climate change	Environment p.58 Task Force on Climate-related Financial Disclosures p.64
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Governance p.54 Corporate Governance Report p.77 Risk Management p.107
	205-2 Communication and training about anti-corruption policies and procedures	Governance p.54
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Approach to Sustainability p.38 Environment p.58
	302-1 Energy consumption within the organization	Approach to Sustainability p.38 Environment p.58
	302-3 Energy intensity	Approach to Sustainability p.38 Environment p.58
	302-4 Reduction of energy consumption	Approach to Sustainability p.38 Environment p.58
	302-5 Reductions in energy requirements of products and services	Approach to Sustainability p.38 Environment p.58
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Approach to Sustainability p.38 Environment p.58
	303-2 Management of water discharge-related impacts	Approach to Sustainability p.38 Environment p.58
	303-5 Water consumption	Task Force on Climate-related Financial Disclosures p.64

GRI Standard	Disclosure	Location
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Task Force on Climate-related Financial Disclosures p.64
	305-2 Energy indirect (Scope 2) GHG emissions	Task Force on Climate-related Financial Disclosures p.64
	305-4 GHG emissions intensity	Task Force on Climate-related Financial Disclosures p.64
	305-5 Reduction of GHG emissions	Task Force on Climate-related Financial Disclosures p.64
GRI 306: Waste 2020	306-1 Waste generation and significant waste- related impacts	Approach to Sustainability p.38 Environment p.58
	306-2 Management of significant waste-related impacts	Approach to Sustainability p.38 Environment p.58
	306-3 Waste generated	Approach to Sustainability p.38 Environment p.58
	306-4 Waste diverted from disposal	Approach to Sustainability p.38 Environment p.58
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Approach to Sustainability p.38 Governance p.54
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Approach to Sustainability p.38 Our Staff p.48
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Approach to Sustainability p.38 Our Staff p.48
	401-3 Parental leave	Approach to Sustainability p.38 Our Staff p.48
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Approach to Sustainability p.38 Our Staff p.48
	403-2 Hazard identification, risk assessment, and incident investigation	Our Staff p.48 Risk Management p.107
	403-3 Occupational health services	Our Staff p.48
	403-4 Worker participation, consultation, and communication on occupational health and safety	Our Staff p.48
	403-5 Worker training on occupational health and safety	Our Staff p.48
	403-6 Promotion of worker health	Our Staff p.48
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our Staff p.48
	403-8 Workers covered by an occupational health and safety management system	Our Staff p.48
	403-9 Work-related injuries	Our Staff p.48
	403-10 Work-related ill health	Our Staff p.48
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Approach to Sustainability p.38 Our Staff p.48
	404-2 Programs for upgrading employee skills and transition assistance programs	Approach to Sustainability p.38 Our Staff p.48
	404-3 Percentage of employees receiving regular performance and career development reviews	Approach to Sustainability p.38 Our Staff p.48
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Approach to Sustainability p.38 Our Staff p.48 Corporate Governance Report p.77
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Approach to Sustainability p.38 Communities p.52
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Approach to Sustainability p.38 Governance p.54

Professional Governance

RAFFLES HOSPITAL

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

Quality Committee
Dr Alfred Loh (Chairman)
Dr Kenneth Wu (Co-Chairman)
Prof Walter Tan
Dr Yang Ching Yu
Dr Edgar Kieu
Ms Lilian Yew
Ms Adene Lim
Ms Kartini Sameejan
Mr Jonathan Low
Ms Yee Earn Hwa
Ms Sharon Wee
Ms Cecilia Kum
Mr Kin Foo
Mr Ronnie Tan (Secretary)

Pharmacy & Therapeutics Committee
Dr Chong Yong Yeow (Chairman)
Dr Chng Shih Kiat (Advisor)
Dr Melvyn Wong
Dr Kenneth Wu
Dr Tan Joo Peng
Dr Teo Sek Khee
Dr Joshua Kua
Dr Lee Yian Ping
Dr Sheila Loh
Dr Morrison Loh
Ms Ma Thein Yin
Ms Yee Earn Hwa (Secretary)

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

Medical Audit Committee
Dr Chan Choong Chee (Chairman)
Dr Teo Sek Khee (Co-Chairman)
Dr Chng Shih Kiat
Dr Tan Hsiang Lung
Dr Ng Wai Lin
Dr Tan Mein Chuen
Dr Chong Yong Yeow
Dr Devin Tan
Ms Lilian Yew
Ms Kartini Sameejan
Mr Fadhillah Bin Abu Bakar (Secretary)

Infection Control Committee
Dr Teo Sek Khee (Chairman)
Dr Fong Sau Shung
Dr Edgar Kieu
Ms Kartini Sameejan
Ms Ong Suat Kien
Mr Kin Foo
Ms Loke Mei Choo
Ms Jaslyn Yeo
Mr Zulkifli Bin Ismail
Ms Than Sook Ling
Ms Lee Lai Fun
Ms Anastacia Pajarillaga
Ms Chan Jer Wai
Ms Thida Aye (Secretary)

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

Surgical Audit Committee
Prof Walter Tan (Chairman)
Dr Yang Ching Yu (Co-Chairman)
Dr Eric Teh (Co-Chairman)
Prof Abu Rauff (External Advisor)
Prof Tay Boon Keng (External Advisor)
A/Prof Mary Rauff (External Advisor)
Dr Tay Eng Hseon (External Advisor)
Dr Lee I Wuen
Dr Sittampalam Krishnamoorthy
Dr Kaushal Amit Sanghvi
Ms Teo Poh Lin
Ms Kartini Sameejan
Dr Alfred Loh (Ex-Officio)
Ms Gamboa Maika Cortez (Secretary)

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

Blood Transfusion & Tissue Review Committee
Dr Dawn Mya (Chairman)
Dr Nicholas Goh (Co-Chairman)
Dr Fong Sau Shung
Dr Isaac Liu
Ms Norazlina Binte Hassan
Ms Sarina Bte Saleh
Ms Fa'eezah Bte Hamzah
Ms Anastacia Pajarillaga (Secretary)

Patient Case Review Committee
Dr Ng Chin (Chairman)
Dr Chong Yong Yeow (Co-Chairman)
Dr Aaron Woo
Ms Ong Suat Kien
Mr Linson Valencia Nazareno
Mr Lim Hun Teck
Ms Javier Zenia Pabualan
Mr Cruz Kevin Cristopher Magtira
Ms Fa'eezah Bte Hamzah
(Secretary)

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

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

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

FAMILY MEDICINE

Medical Board
Dr Chng Shih Kiat (Chairman)
Dr Melvyn Wong (Co-Chairman)
Dr Tan Joo Peng
Dr Michael Wong
Dr Salleh Omar
Dr Tay Kian Wei
Dr Lim Teng Hong

Corporate Information

RAFFLES MEDICAL GROUP

Board Of Directors

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

Mr Eric Ang Teik Lim
(Lead Independent Director)

Mr Lew Yoong Keong Allen
(Independent Director)

Mr Png Cheong Boon
(Independent Director)

Mr Tan Wern Yuen
(Independent Director)

Ms Chong Chuan Neo
(Independent Director)

Professor Sung Jao Yiu
(Independent Director)

Mr Lim Sim Seng
(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 Lu Liangjian David
(Non-Executive and Non-Independent Director)

Audit & Risk Committee

Mr Lew Yoong Keong Allen (Chairman)
Mr Eric Ang Teik Lim
Mr Tan Wern Yuen

Nomination & Compensation Committee

Mr Png Cheong Boon (Chairman)
Mr Eric Ang Teik Lim
Ms Chong Chuan Neo
Professor Sung Jao Yiu

Registered Office

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

Company Secretary

Mrs Kimmy Goh

Share Registrar

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

Auditors

KPMG LLP
Chartered Accountants
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961
Partner-in-Charge:
Ms Karen Lee Shu Pei
Year of Appointment: 2019

Principal Bankers

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

RAFFLES HEALTH INSURANCE

Board Of Directors

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

Mr Charles Maurice Octave Pierron
(Independent Director)

Mr Tham Khai Wor
(Independent Director)

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

Mr N Ganesan
(Non-Executive and Non-Independent Director)

Company Secretary

Mrs Kimmy Goh

Auditors

KPMG LLP
Chartered Accountants
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961
Partner-in-Charge:
Mr Goh Kim Chuah
Year of Appointment: 2019

Principal Bankers

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

Corporate Governance Report

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

This corporate governance report outlines the main corporate governance policies, processes and practices adopted by RMG during the financial year ended 31 December 2023 (FY2023) with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the Code or CCG 2018). To the extent where any provisions have not been fully complied with, appropriate explanations have been provided in the relevant sections.

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

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

The primary role of the RMG Board of Directors (the Board) is to protect and enhance the long-term value of its shares for all the shareholders. The Board currently holds four scheduled meetings each year. In addition, the Board also meets to discuss strategy and holds meetings at such other times as may be necessary to address any specific significant matters that may arise. The Company's Constitution provides for Directors to participate by way of telephone conference, video conference, or any other forms of electronic communication facilities on occasions when they are not able to attend physical meetings. We have disclosed the attendance of the Directors at meetings of the Board and Board Committees, as well as the frequency of such meetings in this Report.

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

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

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

Corporate Governance Report

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

(a) The approval of interim and full year results announcements;
(b) The approval of the annual audited accounts;
(c) The declaration of interim dividends and proposal of final dividends;
(d) Convening of shareholders' meetings;
(e) The approval of the overall corporate strategy and objectives of the Group;
(f) Material acquisitions or disposals;
(g) Major capital expenditures;
(h) Succession plans, including appointment and compensation for Directors;
(i) The approval of interested person transactions involving substantial shareholders and/or Directors;
(j) The appointment of new Directors; and
(k) Any other matters that may be delegated to Committees whose decisions are reported to and monitored by the Board.

Board Committees

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

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

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

Induction and Training of Directors

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

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

Corporate Governance Report

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

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

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

Attendance At Meetings

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

	NUMBER OF MEETINGS ATTENDED IN FY2023 ● CHAIR OF THE COMMITTEE			
NAME OF DIRECTOR	**AGM(1)**	**BOARD(2)**	**ARC(3)**	**NCC(4)**
Executive Director				
Dr Loo Choon Yong	1/1 ●	4/4 ●	-	-
Non-Executive and Independent Director				
Mr Eric Ang Teik Lim	1/1	4/4	3/3	1/1
Mr Lew Yoong Keong Allen	1/1	4/4	3/3 ●	-
Mr Png Cheong Boon	1/1	3/4	-	1/1 ●
Mr Tan Wern Yuen	1/1	4/4	3/3	-
Ms Chong Chuan Neo	1/1	4/4	-	1/1
Professor Sung Jao Yiu	0/1	4/4	-	1/1
Mr Lim Sim Seng(5)	-	1/1	-	-
Executive and Non-Independent Director				
Mr Tan Soo Nan	1/1	4/4	-	-
Dr Sarah Lu Qinghui	1/1	4/4	-	-
Non-Executive and Non-Independent Director				
Mr Olivier Lim Tse Ghow	0/1	4/4	-	-
Dr Lu Liangjian David(6)	-	1/1	-	-

Notes:

(1) AGM denotes Annual General Meeting.

(2) Board denotes Board of Directors' Meeting.

(3) ARC denotes Audit & Risk Committee Meeting.

(4) NCC denotes Nomination & Compensation Committee Meeting.

(5) Mr Lim Sim Seng was appointed to the Board as a Non-Executive and Independent Director on 1 August 2023.

(6) Dr Lu Liangjian David was appointed to the Board as a Non-Executive and Non-Independent Director on 1 August 2023.

Corporate Governance Report

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

Multiple Board Representations

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

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

The NCC is satisfied that each of the Directors is able to devote adequate time to carry out his or her duties as Director. The Board has considered, and, set as a guide that Directors should not be represented on more than six boards listed on any Exchange in the world (excluding nominee directorship of listed companies by virtue of the Director's employment). During FY2023, none of the Directors held more than six directorships in public listed companies. The Company does not have any alternate directors on its Board.

Board Support and Access to Information

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

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

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

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

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

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

Corporate Governance Report

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

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

The names of the Directors of the Company in office as at the date of this Report are set out below. Subsequent to the last annual report, Mr Lim Sim Seng and Dr Lu Liangjian David have been appointed to the Board on 1 August 2023.

Board Size and Composition

As at the date of this Report, the Board comprised 12 members, of whom nine are non-executive and seven are deemed independent. Taking into account the complex nature and scope of the Group's businesses and operations, the Board considers a Board size of 12 members as appropriate.

NAME OF DIRECTOR	DATE OF FIRST APPOINTMENT	NATURE OF APPOINTMENT	DATE OF LAST RE-ELECTION AS DIRECTOR	POSITION HELD ON THE BOARD	OTHER FUNCTIONS
Dr Loo Choon Yong	16/05/1989	Executive and Non-Independent	28/04/2023	Chairman	Nil
Mr Eric Ang Teik Lim	24/04/2015	Non-Executive and Independent	25/04/2022	Lead Independent Director	Member of ARC and NCC
Mr Lew Yoong Keong Allen	28/10/2020	Non-Executive and Independent	26/04/2021	Director	Chairman of ARC
Mr Png Cheong Boon	15/10/2018	Non-Executive and Independent	25/04/2022	Director	Chairman of NCC
Mr Tan Wern Yuen	01/07/2021	Non-Executive and Independent	25/04/2022	Director	Member of ARC
Ms Chong Chuan Neo	15/10/2021	Non-Executive and Independent	25/04/2022	Director	Member of NCC
Professor Sung Jao Yiu	01/12/2021	Non-Executive and Independent	25/04/2022	Director	Member of NCC
Mr Lim Sim Seng	01/08/2023	Non-Executive and Independent	-	Director	Nil
Mr Tan Soo Nan	28/07/2000	Executive and Non-Independent	28/04/2023	Director	Nil
Mr Olivier Lim Tse Ghow	01/10/2014	Non-Executive and Non-Independent	28/04/2023	Director	Nil
Dr Sarah Lu Qinghui	20/02/2018	Executive and Non-Independent	26/04/2021	Director	Nil
Dr Lu Liangjian David	01/08/2023	Non-Executive and Non-Independent	-	Director	Nil

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

Corporate Governance Report

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

Board Size and Composition (cont'd)

As at 31 December 2023, there was a strong independent element in the Board, with the NCC considering seven out of the 12 Board members to be independent. As such, the Board composition has met the provisions of the Code which states that Independent Directors shall make up at least half of the Board where the Chairman of the Board is not an Independent Director.

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

The Board and the NCC regularly examine the size of the Board and Board Committees, with a view to determine an appropriate size for the Board and the respective Board Committees after taking into account the scope and nature of the Group's operations. Each year, the Board and NCC take into account, *inter alia*, the Directors' contributions, areas of expertise and scope of work in the process of evaluating whether the Board's composition is adequate.

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

Board Diversity Policy

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

The NCC is responsible for reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of new directors. The NCC reviews the structure, size, balance, and diversity of the Board annually and recommends any proposed changes to the Board to complement the Company's objectives and strategies, including its Board Diversity Policy.

Board Diversity Objectives

The Company ensures that female candidates are included for consideration when identifying suitable candidates for new appointments to the Board. The Company had set a gender diversity objective to ensure that the proportion of women on the Board is equal to or higher than the average women's representation on boards of large-cap companies listed on Singapore Exchange Securities Trading Limited (SGX-ST). As at 31 December 2023, female directors represented 16.7% of total Board membership. The average percentage of women on the boards of Singapore's top 100 primary-listed companies was 22.7% as at 30 June 2023 (Source: Council for Board Diversity).

The Company had additionally set skill diversity as a second objective. Such diversity translates into a wider range of perspectives, skills and experience that the Board members may leverage to identify possible risks, raise challenging questions and contribute to problem-solving. As a result, the Board is well-equipped to guide and advise Management, to contribute towards effective decision-making, for the purpose of achieving the Group's strategic objectives. Currently, the Board comprises Directors from different industries and background, with a wide range of business and management experience, knowledge and expertise who, as a result of their different backgrounds, have diversity of thought that is beneficial for the Group. The new Directors appointed in FY2023 have further fortified the Board's overall skill and expertise in the fields of medicine, finance, and management. The Board, collectively, possesses core competencies in healthcare, education, accounting, technology, finance, strategic planning and risk management to meet the goals of the Company.

The Company will continuously set other measurable objectives to promote board diversity in other dimensions, where applicable. To achieve its diversity objectives, the Board and the NCC will, from time to time, invite new persons with relevant experience to join the Board. Each Director is appointed on the strength of his or her calibre and experience. The Company has no alternate Directors on its Board.

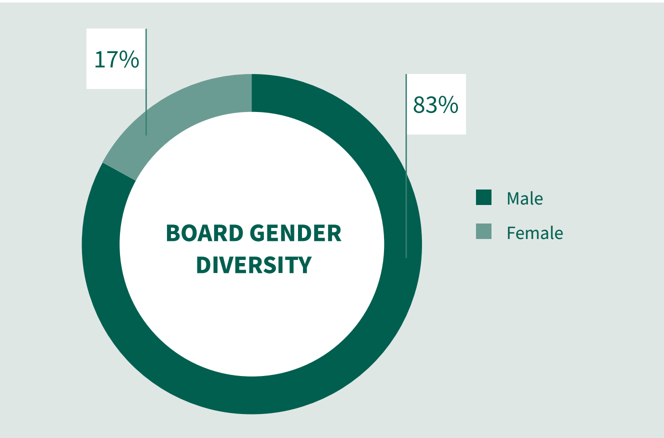
Corporate Governance Report

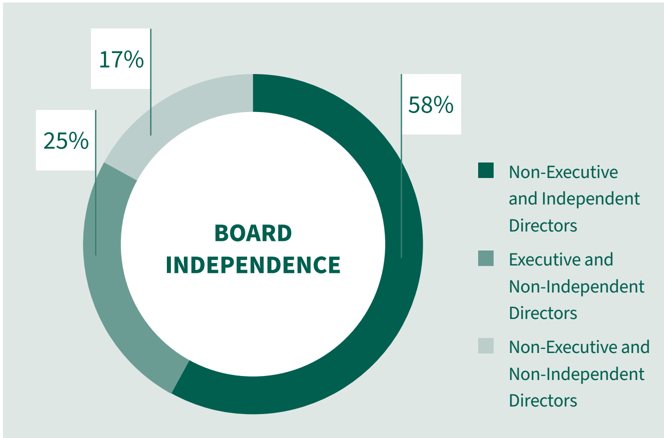
PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE (CONT'D)

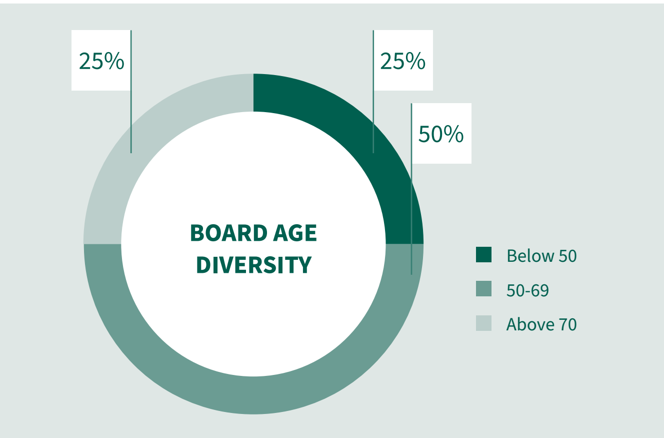
Board Diversity Objectives (cont'd)

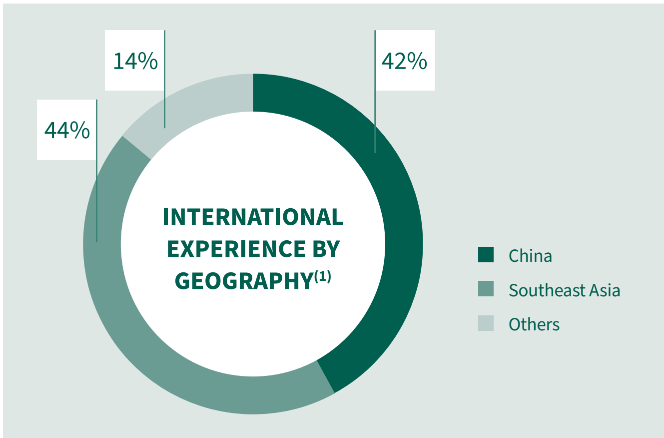
The Board and NCC review its Board Diversity Objectives annually and are satisfied that the current Board's size and composition are in alignment with the needs of the Group and well-suited to facilitate independent and effective decision-making.

The following charts set out the diversity and balance in the composition of the Board as at the end of FY2023.









Note:

(1) Excludes Mr Lim Sim Seng and Dr Lu Liangjian David who were appointed to the Board on 1 August 2023.

Corporate Governance Report

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

Non-Executive Directors

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

The Non-Executive Directors exercise no management functions in the Company or in any of its subsidiaries. Although all the Directors are equally responsible for the performance of the Group, the role of the Non-Executive Directors is particularly important in ensuring that the strategies proposed by Management are fully discussed and rigorously examined by taking into account the long-term interests and perspective of all shareholders and stakeholders of the Group. In addition, the Non-Executive Directors review and monitor the performance of Management in meeting the goals and objectives of the Group. The Non-Executive Directors and/or Independent Directors meet without the presence of the Management as and when the need arises. The Chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

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

The Executive Chairman sets the agenda for Board meetings and ensures that adequate time is available for discussion of all items, in particular, strategic issues, and promotes a culture of openness and constructive relations within the Board and between the Board and Management to facilitate the effective contribution of Non-Executive and Independent Directors. He oversees the conveyance to the Board of complete, adequate and timely information, and effective communication with shareholders. He also takes a lead role in promoting high standards of corporate governance. The Executive Chairman ensures that the Board is properly briefed in a timely manner on pertinent issues and developments. The Board regularly obtains the independent views of each Independent Director. The Executive Chairman also leads the evaluation of the Senior Management's performance and works with the Senior Management in overseeing talent management to ensure that robust succession plans are in place for the senior leadership team. The Executive Chairman is responsible for establishing the risk boundaries of the Group and putting in place strong governance systems and processes that are regularly evaluated.

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

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

Corporate Governance Report

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

Lead Independent Director

Mr Eric Ang Teik Lim was appointed by the Board as the Lead Independent Director on 1 January 2022. The Lead Independent Director leads Board discussions with the Non-Executive and Independent Directors in circumstances where it would be deemed inappropriate for the Executive Chairman to serve in such a capacity. He also assists the Executive Chairman and the Board to ensure that the affairs of the Board and of the Company are managed in accordance with good corporate governance practices and principles.

The role of the Lead Independent Director includes meeting with the Non-Executive Directors, without the Executive Chairman present, to appraise the Executive Chairman's performance and on such other occasions as are deemed appropriate. He would be available to shareholders who have concerns when contact through the normal channels of communication with the Executive Chairman, the CFO or GFC have failed to resolve the issues or for which such contact is inappropriate. The Lead Independent Director would provide feedback to the Executive Chairman after such meetings.

PRINCIPLE 4: BOARD MEMBERSHIP

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

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

The NCC has four members and is made up of four Non-Executive Directors. All the Non-Executive Directors, including the NCC Chairman, are Independent Directors. The independence of the NCC is further enhanced by having the Lead Independent Director as one of its members. The key memberships and responsibilities of the NCC are set out on pages 90 to 92.

Process for Selection and Appointment of New Directors

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

Criteria for Appointment of New Directors

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

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

Corporate Governance Report

PRINCIPLE 4: BOARD MEMBERSHIP (CONT'D)

Re-nomination and Re-appointment of Directors

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

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

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

Review of Directors' Independence

NAME OF DIRECTOR	INDEPENDENT(I) / NON-INDEPENDENT (NI)	EXECUTIVE(E) / NON-EXECUTIVE (NE)	INDEPENDENCE STATUS UNDER THE CODE
Dr Loo Choon Yong	NI	E	No
Mr Eric Ang Teik Lim	I	NE	Yes
Mr Lew Yoong Keong Allen	I	NE	Yes
Mr Png Cheong Boon	I	NE	Yes
Mr Tan Wern Yuen	I	NE	Yes
Ms Chong Chuan Neo	I	NE	Yes
Professor Sung Jao Yiu	I	NE	Yes
Mr Lim Sim Seng	I	NE	Yes
Mr Tan Soo Nan	NI	E	No
Mr Olivier Lim Tse Ghow	NI	NE	No
Dr Sarah Lu Qinghui	NI	E	No
Dr Lu Liangjian David	NI	NE	No

Corporate Governance Report

PRINCIPLE 4: BOARD MEMBERSHIP (CONT'D)

Review of Directors' Independence (cont'd)

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

For transparency, the Board has set out its determination of the independence of each of the seven Independent Directors, namely, Mr Eric Ang Teik Lim, Mr Lew Yoong Keong Allen, Mr Png Cheong Boon, Mr Tan Wern Yuen, Ms Chong Chuan Neo, Professor Sung Jao Yiu, and Mr Lim Sim Seng in the paragraphs that follow.

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

The Group provides healthcare services to WTHL and SJPL. The Board has considered that these transactions were carried out in the ordinary course of business, on normal commercial terms and at arm's length. In addition, the value of services was not material relative to the revenue of the Group in FY2023. Mr Ang is considered independent of management and business relationships with the Company.

Mr Lew Yoong Keong Allen (Mr Lew) is currently the Chairman of Certis Cisco Security Pte Ltd (CISCO) and Non-Executive and Independent Director of Citibank Singapore Limited (Citibank).

The Group provides healthcare services to CISCO and Citibank. The Board has considered that these transactions were carried out in the ordinary course of business, on normal commercial terms and at arm's length. In addition, the value of services was not material relative to the revenue of the Group in FY2023. Mr Lew is considered independent of management and business relationships with the Company.

Mr Png Cheong Boon (Mr Png) is Executive Chairman of the Singapore Economic Development Board (EDB), as well as Chairman of EDBI Pte Ltd and EDB Investments Pte Ltd. Mr Png also serves on the boards of Enterprise Singapore, National Research Foundation, Human Capital Leadership Institute Pte Ltd and Business China. Apart from Mr Png's roles as Executive Chairman of EDB as well as Chairman of EDBI Pte Ltd and EDB Investments Pte Ltd, his roles in the other board appointments are non-executive in nature and he is not involved in the day-to-day conduct of businesses of the companies.

The Group provides healthcare services and insurance services to EDB and EDBI. The Board has considered that these transactions were carried out in the ordinary course of business, on normal commercial terms and at arm's length. In addition, the value of services was not material relative to the revenue of the Group in FY2023. Mr Png is considered independent of management and business relationships with the Company.

Mr Tan Wern Yuen (Mr Tan) is the Chief Executive Officer (APAC) of PepsiCo Inc, a Director of Calbee Inc, and a Member of the Board of EDB. He is also Vice Chairman of the China Chain Store and Franchise Association, Director of Concentrate Manufacturing Singapore Pte Ltd (CMS) and Director of KSF Beverage Holding Co Ltd.

The Group provides healthcare and insurance services to PepsiCo Inc, Calbee Inc, EDB and CMS. The Board has considered that these transactions were carried out in the ordinary course of business, on normal commercial terms and at arm's length. In addition, the value of services was not material relative to the revenue of the Group in FY2023. Mr Tan is considered independent of management and business relationships with the Company.

Corporate Governance Report

PRINCIPLE 4: BOARD MEMBERSHIP (CONT'D)

Review of Directors' Independence (cont'd)

Ms Chong Chuan Neo (Ms Chong) is the Operating Director of Partners Group Singapore Pte Ltd. Ms Chong is also Non-Executive Director of Lion Global Investors Limited (LGI), Non-Executive and Independent Director of Oversea-Chinese Banking Corporation Limited (OCBC), SIA Engineering Company Limited (SIAEC), iShine Cloud Limited, Moda Solutions Ltd, and OCBC Bank (Hong Kong) Limited. She also sits on a number of non-profit and commercial boards in the region. Ms Chong's roles in all the aforementioned appointments are non-executive in nature and she is not involved in the day-to-day conduct of businesses of the companies.

The Group provides healthcare services to Partners Group, LGI, OCBC and SIAEC and the Board has considered that these transactions were carried out in the ordinary course of business, on normal commercial terms and at arm's length. In addition, the value of services was not material relative to the revenue of the Group in FY2023. Ms Chong is considered independent of management and business relationships with the Company.

Professor Sung Jao Yiu (Professor Sung) is currently the Distinguished University Professor, Senior Vice-President (Health & Life Sciences) and Dean (Lee Kong Chian School of Medicine) of Nanyang Technological University, Singapore (NTU). He is also a Board Member of National Healthcare Group Pte Ltd (NHGP) and Director of CUHK Medical Centre Limited (CUHK). Professor Sung's roles in all the aforementioned appointments are non-executive in nature and he is not involved in the day-to-day conduct of business at NTU.

The Group provides healthcare and insurance services to NTU and NHGP and the Board has considered that these transactions were carried out in the ordinary course of business, on normal commercial terms and at arm's length. In addition, the value of services was not material relative to the revenue of the Group in FY2023. Professor Sung is considered independent of management and business relationships with the Company.

Mr Lim Sim Seng (Mr Lim) is currently Non-Executive and Independent Director of Singapore Technologies Engineering Ltd (STECH), Director of DBS Securities (Japan) Company Limited, and Chairman of DBS Vickers Securities Holdings Pte Ltd (DBSV). He is also Chairman and Non-Executive Board Member of the Building and Construction Authority (BCA), and Non-Resident High Commissioner to the Federal Republic of Nigeria.

The Group provides healthcare services to STECH, DBSV and BCA, and the Board has considered that these transactions were carried out in the ordinary course of business, on normal commercial terms and at arm's length. In addition, the value of services was not material relative to the revenue of the Group in FY2023. Mr Lim is considered independent of management and business relationships with the Company.

The Board also considered whether 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, and Mr Lim Sim Seng had demonstrated independence of character and judgement in the discharge of their respective responsibilities as Directors of the Company during FY2023, and is satisfied that each of them had acted with independent judgement. Each of them had also recused himself or herself from participating in any Board's deliberation on any transactions that could potentially give rise to a conflict of interest. The Board therefore considers that the relationships and circumstances pertaining to each of these seven Independent Directors set out above did not impair their independence and objectivity. Each Independent Director has duly abstained from the NCC's or Board's determination of his or her own independence.

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

Key information on each Director including the date of first appointment as a Director, date of last re-appointment or re-election, academic and professional qualifications, background and experience, directorships or chairmanships in other listed companies and principal commitments over the past three years is set out on pages 13 to 19 and 81 of the Annual Report. None of the Independent Directors have served on the Board for more than nine years, which is the limit that SGX has recently introduced on the tenure of independent directors of listed companies.

PRINCIPLE 5: BOARD PERFORMANCE

Corporate Governance Report

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

On an annual basis, the NCC reviews the Board's performance based on objective performance criteria as agreed by the Board, and decides how this may be evaluated. The Board has implemented a process for assessing the effectiveness of the Board as a whole, its Board Committees and for assessing the contribution by the Directors to the effectiveness of the Board. This process includes having Directors complete a questionnaire seeking their views on various aspects of Board performance, such as Board composition, taking into account its size, diversity of skills, experience and gender, Board practices (including setting strategic directions for the company's environmental, social, governance and sustainability plans) and conduct, information, process, and accountability. The Company Secretary compiles the Directors' responses to the questionnaire into a consolidated report. The report is reviewed by the NCC and also shared with the entire Board.

The results of the evaluation in FY2023 were collated by the Company Secretary and presented first to the NCC for review and then to the Board for further discussion. The NCC assessed the performance of the Board as a whole, taking into account the Board's composition and size, access to information, processes, accountability, standard of conduct and performance of the principal functions and fiduciary duties, and guidance to and communication with the Management.

Informal reviews of the Board's collective performance are conducted on a regular basis by the NCC with inputs from the other Directors and the Executive Chairman. Presently, the Board considers it more appropriate to focus on appraising the Board's performance as a whole, rather than on individual directors, as each director brings with them different skills and experience that collectively enrich the Board's collective experience in its entirety.

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

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

Matters which are required to be disclosed in the annual remuneration report have been disclosed in this Report and in the notes to the financial statements of the Company and of the Group. Explanations are provided for any deviations from the Code.

Corporate Governance Report

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

Nomination & Compensation Committee

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

(a) Make recommendations to the Board for approval, including, but not limited to, the review and development of relevant matters relating to:

 (i) Succession plans for Directors, including the Executive Chairman, the CEO and KMP;
 (ii) Processes and criteria for the evaluation of the performance of the Board, its board committees and directors. Where the NCC deems necessary, it may also propose objective performance criteria for the Board. The NCC conducts the evaluation and analyses the evaluation findings before reporting the results to the Board;
 (iii) Training and professional development programmes for the Board and its Directors;
 (iv) Make recommendations on the appointment and re-appointment of Board Members;
 (v) The determination of a framework or broad policy for the remuneration of the Board Members; and
 (vi) The specific remuneration package for each Director as well as for the KMP to ensure that the remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and KMP to successfully manage the company for the long term.

(b) Following the Board's confirmation of any recommended candidate and if directed by the Board, the NCC shall furnish to the newly-appointed Director a formal appointment letter which clearly sets out his or her roles and responsibilities, authority, and the Board's expectations in respect of his or her time commitment as a Director of the Company.

(c) The NCC will regularly and strategically, if so directed by the Board, review the structure, size and composition (including the skills, qualification, experience and diversity) of the Board and Board Committees. It will then recommend changes, if any, to the Board.

(d) The NCC recommends the membership of the respective Board Committees to the Board.

(e) The NCC reviews the independent status of Non-Executive Directors and that of the Alternate Director, if applicable, annually, or when necessary, along with issues of conflict of interest.

(f) The NCC may recommend that the Board removes and re-appoints a Non-Executive Director at the end of his or her term (if the appointment is subject to tenure). It may also make recommendation for the re-election of Directors under the provisions of the Company's Constitution on the policy of retirement by rotation. In making these recommendations, the NCC should consider the Director's performance, commitment and his or her ability to continue contributing to the Board.

(g) The NCC shall keep up to date with developments in corporate governance initiatives, changes to relevant legislations, strategic issues and commercial changes that may affect the Company or the industry in which it operates.

Corporate Governance Report

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

Nomination & Compensation Committee (cont'd)

(h) The NCC shall assist the Board with responsibilities with regard to remuneration and talent management such as those appended hereunder:

(i) Take into account all relevant legal and regulatory requirements, including the principles and provisions of the Code, when determining the Company's remuneration policies. In doing so, it should also consider the Company's risk appetite and ensure that the policies are aligned to long-term goals;
(ii) Set the remuneration framework for Directors (both Executive and Non-Executive Directors), CEO and KMP. No Director or manager shall be involved in any decisions as to their own remuneration. The Board should recommend and propose Non-Executive Directors' fees for shareholders' approval at a general meeting;
(iii) Review the ongoing appropriateness and relevance of the Company's remuneration policy;
(iv) Obtain reliable, up-to-date information on the remuneration practices of other companies and the relevant market benchmarks through the appointment of external consultants. Such information can also be obtained by commissioning or purchasing relevant reports, surveys or information, at the expense of the Company, subject to any budgetary constraints imposed by the Board;
(v) Oversee any major changes in employee benefits or remuneration structures;
(vi) Review the design of all long-term and short-term incentive plans for approval by the Board and shareholders;
(vii) When required, consider the contractual and any termination terms are fair to the individual and the Company. Poor performance should not be rewarded;
(viii) Oversee and collaborate with Executive Directors on talent management and succession planning matters for executives;
(ix) Work and liaise, as necessary, with all other Board Committees on any other matter connected with remuneration;
(x) Sub-delegate, if required, any of its powers within its Terms of Reference as listed herein, from time to time, as the NCC deems fit;
(xi) Consider such other matters as may be requested by the Board.

(i) The NCC shall also carry out the following duties with regard to the Employees Share Option Schemes and such other incentive schemes as may be approved by the Board and the shareholders from time to time:

(i) Review and oversee the implementation of the design of all Employee Share Option Schemes and such other incentive schemes as may be approved by the Board and the shareholders from time to time. For any such schemes, it shall determine each year, whether awards will be made, and if so, the overall amount of such awards, the individual awards to eligible persons and, if applicable, the performance targets to be used.

(ii) Empowered by the Board to delegate to the Chairman or Company Secretary to approve and release relevant announcements in relation to the administration of the Employee Share Option Schemes and such other incentive schemes as may be approved by the Board and the shareholders from time to time that are required for the compliance with the SGX- ST Listing Manual.

Corporate Governance Report

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

Nomination & Compensation Committee (cont'd)

The Chairman of the NCC is Independent Director, Mr Png Cheong Boon. The other members are Lead Independent Director, Mr Eric Ang Teik Lim, and Independent Directors, Ms Chong Chuan Neo and Professor Sung Jao Yiu. The NCC members, through their appointments and involvement in large organisations, are knowledgeable and experienced in the field of executive compensation.

The NCC seeks expert advice and views on remuneration and governance matters from both within and outside the Group, as appropriate. By drawing on the advice of relevant independent industry experts, where applicable from time to time, the NCC ensures that the independence and objectivity of the remuneration consultants are maintained. For FY2023, HR Guru Pte Ltd (HR Guru) was engaged as remuneration consultant (Remuneration Consultant) to provide professional advice on Board and executive remuneration matters. HR Guru and its principal consultant are independent and are not related to the Group or any of its Directors.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

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

The Group adopts a remuneration framework that is responsive to market elements and the performance of the Group and business divisions respectively. It is structured to link a significant and appropriate proportion of rewards to the Group's and each individual's performance.

The NCC establishes the appropriate remuneration frameworks by determining the level and structure of remuneration for the Directors and KMP of the Company. The resulting remuneration packages aim to attract, retain and motivate the Directors to provide good stewardship of the Group and KMP to successfully manage the Group in the long term. The frameworks are reviewed periodically to ensure that they remain relevant, competitive and fair.

The NCC takes into consideration the long-term interest and risk policies of the Company and structures the remuneration packages on certain measured performance indicators (which include both financial and non-financial factors) and are linked to the performance of the Group as well as the individual. To align with shareholders' interests, the Directors and KMP received share options under the RMG (2010) Share Option Scheme, the RMG (2020) Share Option Scheme, as well as the RMG (2020) Performance Share Plan, with a minimum vesting period of one to four years.

The NCC determines and reviews the remuneration packages for the Executive Chairman and KMP based on the Group's remuneration policy. The NCC presently consists of four Non-Executive Directors, all of whom are Independent Directors. The objectivity of the NCC is further enhanced by the inclusion of the Lead Independent Director as a key member of the committee.

The Group has the discretion to revoke any component of the relevant KMP's remuneration in the event of a breach of the terms of his or her employment, misstatement of financial results, or any misconduct which results in financial loss to the Company.

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

In FY2023, the Directors received Directors' fees, commensurate with their contributions, after taking into account factors such as effort, time spent and the individual responsibilities of the respective Directors. These Directors' fees have been reviewed by the NCC and are benchmarked against fees paid by comparable companies in Singapore. Each member of the NCC abstains from making a recommendation on his or her remuneration.

Corporate Governance Report

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

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

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

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

The fixed component is in the form of a base salary, allowances and benefits-in-kind. The variable component is in the form of variable bonuses which are linked to the Company's and individual's performance. Share-based components are awards under the RMG (2010) Share Option Scheme, the RMG (2020) Share Option Scheme and the RMG (2020) Performance Share Plan, and are linked to the relative performance of the Group and respective key performance indicators allocated to each individual Executive Director and KMP. This is to ensure that Directors' and KMP's interests are aligned with those of shareholders. Key information on the RMG (2010) Share Option Scheme, the RMG (2020) Share Option Scheme and the RMG (2020) Performance Share Plan are set out on pages 117 to 122 of the Annual Report.

The summary of Directors' remuneration for FY2023 are set out below:

	NUMBER OF DIRECTORS	
REMUNERATION BAND	**2023[(1)]**	**2022[(2)]**
$500,000 and above	2	2
$250,000 and below $500,000	1	1
Below $250,000	9	8
	12	11

Notes:

(1) Includes pro-rated Director's remuneration of Mr Lim Sim Seng and Dr Lu Liangjian David who were appointed to the Board on 1 August 2023.

(2) Includes pro-rated Director's remuneration of Mr Raymond Lim Siang Keat who retired from the Board on 25 April 2022.

The Board is of the view that, considering the confidential and commercial sensitivities associated with remuneration matters and the highly competitive resource environment in which the Company operates and the importance of ensuring stability and continuity of business operations, it is appropriate for the Company to disclose the remuneration of each individual Director and the CEO on a named basis with breakdown in percentages. Given the sensitivity of remuneration matters, the Company has also opted not to disclose the total remuneration of each individual Director in dollar terms to maintain confidentiality of the remuneration packages of these Directors. For the same reasons, the Company has not provided an upper limit to the remuneration band of "$500,000 and above". In the wake of recent changes to the Listing Rules announced by the SGX, the Company will review its disclosures on remuneration and make appropriate adjustments in future reports according to SGX-prescribed timelines.

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

Corporate Governance Report

PRINCIPLE 8: DISCLOSURE ON REMUNERATION (CONT'D)

Directors' Compensation

Details of the compensation for each individual Director for FY2023 are as follows:

NAME OF DIRECTOR	BASE OR FIXED SALARY[1] %	VARIABLE OR BONUS[2] %	DIRECTORS' FEES %	SHARE BASED[3] %	TOTAL COMPENSATION %
$500,000 and above					
Dr Loo Choon Yong Executive Chairman and Non-Independent	5	95	-	-	100
Mr Tan Soo Nan Executive and Non-Independent	57	29	-	14	100
$250,000 and below $500,000					
Dr Sarah Lu Qinghui Executive and Non-Independent	-	90	-	10	100
Below $250,000					
Mr Eric Ang Teik Lim Non-Executive and Independent	-	-	52	48	100
Mr Lew Yoong Keong Allen Non-Executive and Independent	-	-	59	41	100
Mr Png Cheong Boon[4] Non-Executive and Independent	-	-	100	-	100
Mr Tan Wern Yuen Non-Executive and Independent	-	-	57	43	100
Ms Chong Chuan Neo Non-Executive and Independent	-	-	60	40	100
Professor Sung Jao Yiu Non-Executive and Independent	-	-	63	37	100
Mr Lim Sim Seng Non-Executive and Independent	-	-	100	-	100
Mr Olivier Lim Tse Ghow Non-Executive and Non-Independent	-	-	48	52	100
Dr Lu Liangjian David[5] Non-Executive and Non-Independent	-	-	-	-	-

Notes:

(1) The base or fixed salary amount shown is inclusive of fees, allowances and statutory contributions to the Central Provident Fund.

(2) The variable or bonus amount shown is inclusive of statutory contributions to the Central Provident Fund.

(3) Based on the fair values of share options and performance shares granted to Directors.

(4) The fees payable to Mr Png Cheong Boon will be paid fully in cash to a government agency, the Directorship and Consultancy Appointments Council (DCAC).

(5) Dr Lu Liangjian David waived his director's fees for FY2023.

Corporate Governance Report

PRINCIPLE 8: DISCLOSURE ON REMUNERATION (CONT'D)

Key Management Personnel's Remuneration

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

The remuneration of the Executive Chairman and Executive Director has been disclosed under the table for Directors' compensation and is accordingly not included in the following table setting out the remuneration paid to the Company's top 5 KMP:

REMUNERATION BAND	NUMBER OF EXECUTIVES	BASE OR FIXED SALARY[(1)] %	VARIABLE OR BONUS[(2)] %	SHARE BASED[(3)] %	TOTAL COMPENSATION[(4)] %
$500,000 and above	1	54	36	10	100
$500,000 and above	1	83	9	8	100
$500,000 and above	1	68	24	8	100
$500,000 and above	1	90	9	1	100
$500,000 and above	1	62	29	9	100

Notes:

(1) The base or fixed salary amount shown is inclusive of fees, allowances and statutory contributions to the Central Provident Fund.

(2) The variable or bonus amount shown is inclusive of statutory contributions to the Central Provident Fund.

(3) Based on the fair values of share options and performance shares granted to KMP.

(4) Details of the KMP's remuneration in aggregate are included in the Notes to Financial Statements - Transactions with KMP.

Employees who are Relatives of CEO or Directors

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

NAME OF DIRECTOR	NAME OF EMPLOYEE	RELATIONSHIP WITH DIRECTOR	POSITION EMPLOYED
Dr Loo Choon Yong	Dr Sarah Lu Qinghui (Dr Lu)	Daughter	Consultant, Raffles Surgery Centre [(b)]
Dr Sarah Lu Qinghui	Dr Loo Choon Yong (Dr Loo)	Father	Executive Chairman [(a)]
	Dr Foo Tun Lin (Dr Foo)	Spouse	Consultant, Raffles Orthopaedic Centre [(b)]

Notes:

(a) The remuneration of Dr Loo is reviewed by NCC and disclosed in the Directors' compensation table on page 94.

(b) The remunerations of Dr Lu and Dr Foo follow the same remuneration framework as that applicable to the Group's physicians and, as such, are not determined by the NCC.

Corporate Governance Report

PRINCIPLE 8: DISCLOSURE ON REMUNERATION (CONT'D)

Employees who are Relatives of CEO or Directors (cont'd)

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

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

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

The Directors recognise that they have the overall responsibility to ensure accurate financial reporting and adequate system of internal controls for the Group, including financial, operational, compliance, information technology controls and risk management policies and systems. This responsibility has been delegated to the ARC whose Terms of Reference are set out in the sections under Principle 10 of this Report.

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

The Group may, from time to time, appoint consultants to perform a review of its existing risk management framework and risk assessment procedures. Recommendations for improvement will be presented to the Board upon completion of such engagement. The Board also reviews the Group's businesses and operational activities to identify areas of significant business risks as well as the measures in place to control and mitigate these risks within the Group's policies and business strategies. The risk assessment exercise also includes identifying and assessing key risk areas of the Group such as financial, operational, compliance and information technology and climate-related risks based on the feedback of the internal auditors and external auditors.

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

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

In FY2023, the ARC reviewed the reports submitted by the internal auditors relating to the internal audits conducted to assess the adequacy and the effectiveness of the Group's risk management and the internal control systems put in place, including financial, operational, compliance and information technology control systems. Any material, non-compliance or lapses in internal controls, together with recommendation for improvement were presented to the ARC. A copy of the report was also issued to the relevant departments for their follow-up actions. The timely and proper implementation of all required corrective, preventive or improvement measures were closely monitored. In addition, major control weaknesses in financial reporting identified in the course of the statutory audit, if any, were highlighted by the external auditors to the ARC.

Corporate Governance Report

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

Based on the work performed by the internal auditor, the statutory audit by the external auditor and reviews performed by Management, the Board, with the concurrence of the ARC, is of the opinion that the Group has adequate and effective risk management systems and internal controls in place to mitigate critical and significant risks in the following areas: Financial, Operational, Compliance, Information Technology and Climate-Related Risks.

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

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

Further details on the Group's internal control and risk management systems, philosophy and approach can be found in the "Risk Management" section on pages 107 to 111.

Accountability

The Group prepares its financial statements in accordance with the SFRS(I). In presenting its interim and full year financial results to shareholders, the Board aims to provide the shareholders, a balanced and comprehensive assessment of the Group's performance, position and prospects.

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

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

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

Nomination & Compensation Committee

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

Audit & Risk Committee

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

Corporate Governance Report

PRINCIPLE 10: AUDIT COMMITTEE

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

The ARC is chaired by Mr Lew Yoong Keong Allen, who was appointed as a member and subsequently as Chairman of the ARC on 19 February 2021 and 1 May 2021 respectively. On 1 January 2022, Mr Eric Ang Teik Lim (Lead Independent Director) and Mr Tan Wern Yuen were appointed as members of the ARC, which currently comprise of three members. All members of the ARC are Non-Executive and Independent Directors. All the ARC members are actively involved in various other commercial organisations, and have invaluable and adequate financial management experience, collectively, to discharge the ARC's functions. None of the ARC members were previously partners or Directors of the external auditors, KPMG, within the previous two years nor do any of the ARC members hold any financial interest in KPMG.

During FY2023, as well as in the prior financial years, the ARC members met the Group's internal and external auditors separately, without the presence of Management, at least once a year, to review accounting, auditing and financial reporting matters. This is to ensure that an effective control environment is maintained in the Group. The ARC also monitors proposed changes in accounting policies and discusses the accounting implications of major transactions. In addition, the ARC also advises the Board regarding the adequacy and effectiveness of the Group's internal controls and the contents and presentation of its quarterly and annual financial statements.

In FY2023, the Terms of Reference of the ARC were expanded to include oversight of sustainability issues (including strategy, material environmental, social and governance factors, risks and opportunities, targets, policies, practices, reporting and disclosures).

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

(a) Financial Reporting

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

(b) Risk Management and Internal Controls (in relation to Financial, Operational, Compliance, and Information Technology Controls) of the Group

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

Corporate Governance Report

PRINCIPLE 10: AUDIT COMMITTEE (CONT'D)

(c) Internal Audit (IA)

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

(d) External Audit

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

(e) Compliance Matters

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

(f) Interested Person Transactions (IPTs)

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

Corporate Governance Report

PRINCIPLE 10: AUDIT COMMITTEE (CONT'D)

(g) Sustainability

(i) Oversee and review the implementation of the Group's sustainability strategy, initiatives, policies and practices, and provide strategic direction to the Management Executive Committee and the Sustainability Committee on how these could be integrated into the Group's general operations and commercial objectives;

(ii) Review annually the selection of the Group's ESG factors identified to be material to the Group's business, considering the prevailing business strategy, market conditions and stakeholder concerns;

(iii) Review annually the processes for identifying, assessing, and managing climate-related risks and opportunities across the 4 pillars of governance, strategy, risk management, and metrics and targets, and related reporting in alignment with the Taskforce on Climate-related Financial Disclosures (TCFD);

(iv) Review stakeholder engagement plan(s) to ensure that stakeholders' concerns are meaningfully captured and addressed;

(v) Consider management's proposals and make recommendations to the Board where relevant on sustainability related policies and practices, including the engagement of external sustainability advisory and/or assurance consultants as necessary; and

(vi) Review and recommend the annual sustainability report to the Board.

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

The ARC had reviewed the external auditor's audit plan for FY2023 and had agreed with the auditor's proposed significant areas of focus and assumptions that impact the financial statements. In the ARC's review of the financial statements of the Group for FY2023, it had discussed with Management the accounting principles that were applied and their judgement on items that could affect the integrity of the financial statements and also considered the clarity of key disclosures in the financial statements. The ARC also reviewed and addressed, amongst other matters, the following key audit matters as reported by the external auditors for FY2023:

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

Corporate Governance Report

PRINCIPLE 10: AUDIT COMMITTEE (CONT'D)

The ARC concluded that the Group's accounting treatment and estimates in each of the significant matters were appropriate. All the key audit matters that were raised by the external auditors for FY2023 had been addressed by the ARC and covered in the above commentary.

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

In the exercise of its responsibilities, the ARC undertook a review of the independence of our external auditor, KPMG, to assess that the objectivity of the auditors was not impaired. In its assessment, the ARC deliberated on the Group's relationship with KPMG and the processes, policies and safeguards adopted by KPMG relating to audit independence. The ARC also took into consideration, the nature and volume of non-audit services rendered by KPMG in FY2023 as well as the corresponding fees for prior years. Details of the fees paid or payable to KPMG in respect of audit and non-audit services are set out in Note 20 of the Notes to the Financial Statements on page 212. Based on the review, the ARC was of the opinion that KPMG was, and was perceived to be, independent for the purpose of the Group's statutory financial audit. The ARC was also satisfied with the aggregate amount of audit fees paid to KPMG and the adequacy, effectiveness, independence, scope and results of the external audit. Accordingly, the ARC has recommended that the Board propose the re-appointment of KPMG, as the independent auditors of the Group, for shareholders' approval at the forthcoming AGM of the Company. The ARC also made recommendations to the Board on the terms of engagement and remuneration of KPMG.

During FY2023 and as in past years, the Group had complied with Rule 712 of the Listing Rules which requires, amongst others, that a suitable auditing firm be appointed by the Company, having regard to the factors set out therein. The Company had also complied with Rule 715 of the Listing Rules which requires that the same auditing firm of the Company audits its Singapore-incorporated subsidiaries and significant associated companies, and that a suitable auditing firm be engaged for its significant foreign-incorporated subsidiaries and associated companies.

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

Whistleblowing Policy

The Group has put in place a whistleblowing policy which sets out the procedures for a whistleblower to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers. This policy provides well-defined and accessible channels through which employees, in confidence and good faith, without fear of reprisal, may report concerns about possible improprieties in matters of financial reporting or other matters within the Group. Details of the policy are posted on the Group's intranet for employees' easy reference. The whistleblowing policy is administered by the internal audit function within the Company and approved by the ARC, which is responsible for oversight and monitoring of whistleblowing. The policy may only be revised with the approval of the ARC and the Board. The ARC also maintains a record of complaints raised through whistleblowing channels and reports such complaints to the Board as and when appropriate. If investigation of a complaint is necessary, the ARC will direct an independent investigation to be conducted on the complaint received. A report on the complaint, investigation findings and any follow-up action taken will be submitted to the Board upon completion of the investigations.

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

Corporate Governance Report

PRINCIPLE 10: AUDIT COMMITTEE (CONT'D)

Internal Audit (IA)

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

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

The ARC ensures that the department performing the IA function has adequate resources and appropriate standing within the Group to perform its function effectively, including the assessment of the auditors' relationship with external auditors and the auditors' independence of the areas reviewed.

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

The ARC reviews, annually, the adequacy of the IA function to ensure that internal audits are conducted effectively, and that the Management provides the necessary co-operation to enable the internal auditors to perform its function. Based on the review conducted for FY2023, the ARC is of the opinion that the IA function is effective, adequately resourced and independent. Having reviewed the IA reports and remedial actions implemented by the Management in FY2023, the ARC is satisfied that the Group's internal control and risk management systems are adequate and effective.

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

The Group's robust corporate governance and awareness culture promotes fair and equitable treatment of all shareholders. All shareholders enjoy specific rights under the Singapore Companies Act 1967 and the Company's Constitution. All shareholders are treated fairly and equitably. These rights include, amongst others, pecuniary rights, for example, the right to participate in profit distributions and membership rights such as the right to participate in general meetings and the right to exercise their voting rights. Under the Company's Constitution, ordinary shareholders are entitled to attend general meetings in person or by proxy and are given adequate opportunity to participate effectively in and to vote at the general meetings of the Company.

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

Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the newspapers and posted on SGXNet. General meetings are usually held at venues which are easily accessible by the shareholders via public transport.

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

Corporate Governance Report

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

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

The notice of the AGM (Notice of AGM) is disseminated to shareholders, together with explanatory notes or a circular on items of special business, at least fourteen days before the meeting. Details on attendance registration, procedures for submission of questions as well as the voting process are also set out in the Notice of AGM. The Company's 35th AGM, scheduled for 26 April 2024, will be held in a wholly physical format, which will allow shareholders to engage the Board in person and vote at the AGM.

The Board welcomes questions from shareholders who have an opportunity to raise issues at the AGM. In 2023, the Chairmen of the ARC and the NCC were present at the AGM to answer those questions relating to the work of these Committees. The external auditors also attended the AGM to address shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report.

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

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

The Company appoints an independent external party as scrutineer for the electronic poll voting process. Prior to the general meeting, the scrutineer will review the proxies and the electronic poll voting system (where applicable), and attends at the proxy verification process, to ensure that the proxy and poll voting information is compiled correctly. During the general meeting, the scrutineer attends to ensure that the polling process is properly carried out. The emcee articulates the rules, accompanied by a video demonstrating the voting process, at such general meetings. Votes cast, for or against and the respective percentages, on each resolution are tallied and displayed "live" on-screen to shareholders immediately at the general meetings. The total number of votes cast for or against the resolutions and the respective percentages are also announced on SGXNet after the general meetings. The Company prepares minutes of general meetings which record the substantial and relevant comments made and questions raised. Minutes of general meetings are released on SGXNet and on the Group's corporate website as soon as practicable after each general meeting.

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

For FY2023, the Board has proposed a final core dividend of 2.4 Singapore cents per ordinary share, which is subject to the approval by the shareholders at the forthcoming AGM of the Company.

Corporate Governance Report

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

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

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

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

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

(a) Annual reports released on the SGX-ST, and issued to all shareholders, upon request. The Board makes every effort to ensure that the annual report includes all relevant information about the Group, including future developments and other disclosures required by the Singapore Companies Act, SFRS(I) and the SGX-ST Listing Manual;
(b) Financial statements containing a summary of the financial information and affairs of the Group for the period;
(c) Notices of and explanatory memoranda for Annual General Meetings and Extraordinary General Meetings;
(d) Media and analyst briefings for the Group's interim and annual results as well as other briefings, as appropriate;
(e) Media releases on the major developments of the Group;
(f) Disclosures to the SGX-ST; and
(g) The Group's IR website, where shareholders can access information on the Group. The website provides, *inter alia*, corporate announcements, media releases, annual reports, analysts' coverage and a profile of the Group.

Corporate Governance Report

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS (CONT'D)

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

In FY2023, the IR team and Senior Management engaged with a total of 184 local and foreign institutional entities over 42 meetings. IR activities undertaken in FY2023 included:

Calendar of Events

MONTH	EVENT
January	Daiwa PURE Energy and Healthcare Conference 2023 14th Credit Suisse ASEAN Conference DBS Vickers Pulse of Asia Conference
February	FY2022 Post Results Briefing
March	CGS China-ASEAN Business Leaders Summit 2023
May	UBS OneASEAN Conference
June	Nomura Investment Forum Asia 2023
August	1H2023 Post Results Briefing UBS OneASEAN Pulse Check
November	3Q2023 Post Business Update Briefing

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

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

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

The Company's Sustainability Report is found on pages 34 to 73. Details of how stakeholders can engage with the Company are set out on pages 38 and 39. The Company also maintains a corporate website at https://www.rafflesmedicalgroup.com to communicate and engage with stakeholders.

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

MATERIAL CONTRACTS

During FY2023, save as disclosed, there was no material contract exceeding $100,000 entered into by the Company or any of its subsidiaries involving the interests of the Executive Chairman, any Director or controlling shareholder.

DEALINGS IN SECURITIES

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

INTERESTED PERSONS TRANSACTIONS

The Company has established procedures to ensure that all transactions with Interested Persons are reported to the ARC on a regular basis. The ARC has reviewed the Interested Persons Transactions (IPTs) entered into during the financial year by the Company. The Company's disclosures, according to Rule 907 of the SGX-ST Listing Manual in respect of IPTs for the aggregate value of IPTs entered for FY2023, are set out below. As the Company does not have a shareholders' mandate under Rule 920, there is no IPT reporting associated therewith.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Doctor World Pte Ltd – For the provision of IT services to the Group and administrative fees for usage of *RafflesConnect App* as well as rental income received by the Group.	$1,205,428	Nil

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

Risk Management

ENTERPRISE RISK MANAGEMENT

The Board is responsible for the governance of risks within the Group. The RMG Risk Management Framework provides a systematic process for the Group and its respective Business and/or Operating Units to identify and review the nature and complexity of the risks involved in each Business and/or Operating Units and to prioritise resources to manage such risks.

The Group promotes and inculcates risk awareness among all its employees by embedding risk management processes into day-to-day operations and setting an appropriate tone at the top. Communications, continuous education and training on risk management awareness and processes across all levels help create a risk-aware culture within the Group.

Ownership and accountability for the risk management process is clearly defined and assigned to the relevant Business and/or Operating Units leaders, departments and individuals. While managers at each level take ownership of their respective division's enterprise risk, Senior Management retains stewardship and oversight of the overall risk management process.

The ARC assists the Board in maintaining oversight on internal controls and risk management. Internal Audit, who reports directly to the ARC, provides independent assurance on the adequacy and effectiveness of the Risk Management Framework and Internal Controls.

Reporting to the ARC, the Management Risk Committee (MRC), reviews and put in place risk management and internal controls to ensure robust systems and processes are in place to identify and manage risk enterprise-wide. The Chief Financial Officer and Chief Operating Officer co-chair the MRC, and members comprise leaders of major Business and/or Operating Units.

As the Group's business and operating environment are dynamic, to adapt to an ever-changing environment, the Group's risk management procedures are an on-going, continuous and evolving process. The MRC meets quarterly to identify new risks, review and assess the adequacy and effectiveness of the existing Risk Management Framework and Internal Controls to manage risks proactively. The Group's key risks are assessed, reviewed and presented to the ARC and Board annually, or as necessary.

However, the Board also notes that no system of internal controls and risk management can provide absolute assurance against poor judgement in decision-making, human errors, losses, frauds and other irregularities.

Risk Management

ENTERPRISE RISK MANAGEMENT (CONT'D)

Enterprise Risk Management Framework

The 4 pillars of the Group's Risk Management Framework encompass oversight, assurance, management and governance of our enterprise's risks as set out below.

ERM FRAMEWORK			
BOARD AND AUDIT & RISK COMMITTEE (ARC)	**INDEPENDENT ASSURANCE**	**MANAGEMENT RISK COMMITTEE (MRC)**	**GOVERNANCE AND OWNERSHIP**
• **Oversight** of the Group's risk management, internal controls, policies and systems • **Reviews and approves** risk appetite • **Integrates** risk management culture and appetite into the Group's strategic decision-making process	• **Internal Audit** reports independently to the ARC and provides independent assurance on the adequacy and effectiveness of the Group's risk management, internal controls and compliance matters • **External Audit** provides external assurance to complement internal sources of assurance	• **Co-Chaired** by Chief Financial Officer and Chief Operating Officer and major Business and/or Operating Units leaders • **Responsible** for identifying key risks as well as developing and reviewing the risk management framework and strategies of the Group • **Implements** internal controls and policies as well as monitoring compliance	• **Assigns risk owners (Risk Champions)** for top-level risks through building a network of Business and/ or Operating Units leaders as Risk Champions • **Define key risk indicators** with the respective Risk Champions • **Risk Champions are responsible** for setting up policy management to identify, assess and manage risks, build a robust internal control environment and maintain strong financial and operational governance

GROUP RISK PROFILE

Information Technology Risk

Data Security

The Group is custodian of personal data of patients, employees and customers and has implemented various policies, practices and controls to protect the confidentiality of these data. We regularly review how we collect and manage the safekeeping, sharing and disposal of such data to ensure compliance with the respective personal data protection regulations of the various jurisdiction that we operate in.

Data protection policies and control measures had been put in place, including the utilisation of Information Technology (IT) tools and infrastructure as well as continuous staff education, to mitigate the risk of data breaches. To this end, data privacy and protection education has been included in the Group's on-boarding orientation training for new employees who need to access sensitive data in the course of their work.

Information Technology Systems

We rely extensively on IT systems for our day-to-day operations across our various business functions, including our telemedicine portal, *RafflesConnect*.

Risk Management

Information Technology Risk (cont'd)

As the Group embraces and adopts digitilisation and IT advancement, cybersecurity remains a key risk for the Group. In ensuring the reliability of our IT systems, we also strive to improve our business continuity, communication, and recovery processes. On top of the security measures already put in place, the Group has engaged an external IT Security Specialist to provide additional Security Operations Centre services in areas of IT security monitoring and cyber security advisory.

We ensure compliance with our internal IT and security policies and procedures by conducting regular cybersecurity education and tests for all employees. The Group continues to invest in upgrading our IT systems, which may consequently incur significant capital expenditures, to keep abreast of technological advances.

The Group has also obtained ISO 27001 certification for its information security management system.

Operational Risk

The Group operates in a highly regulated environment and is at the frontline of any epidemics and pandemic.

Our ability to evolve and respond with speed and agility to support respective government projects during the pandemic in various geographical locations is a testament to our operational resilience. As a Group, we are better prepared than ever to meet such challenges and to continue with business as usual should the need ever arise again.

Nevertheless, business disruptions despite our ability to respond and evolve remains an operational risk due to circumstances beyond our control. For example, during the COVID-19 pandemic, the Group had to shut certain clinical services in Singapore that were deemed non-essential during that time and our overseas operations were affected by movement restrictions imposed across various cities, from time to time.

Environment, Health & Safety (EHS)

The health and safety of the Group's employees and patients are of paramount importance. As such, the Group continuously strives to maintain high levels of environment, health, and safety standards in our day-to-day operations through a proactive risk management approach and adopts a zero tolerance for non-compliance with Health and Safety policies and procedures.

Underpinned by its risk management framework on EHS, the Group provides continuous training on Workplace as well as Safety and Health & Policies and Procedures. Appropriate inspections are conducted to ensure compliance and to protect our staff, patients and visitors from potential accidents and injuries. Employees of the Group are empowered to intervene and communicate any potential or unsafe situation. Our clinicians and their practices are subject to both internal and external governance and peer reviews, amongst others.

We seek to mitigate our EHS risks with accreditations by locally and internationally recognised standards. Our workplace safety and health policies have been certified by the Workplace Safety and Health Council to have attained BizSAFE Level 3 standards.

The Group is represented in the national Workplace Safety and Health Council (Healthcare), which works closely with the Ministry of Manpower and other governmental agencies, the industry, unions and professional associations to raise Workplace Safety and Health standards in Singapore.

Risk Management

Strategic Risk

Talent Management

The Group is committed to delivering its strategic objectives whilst enhancing shareholders' value through sustainable and profitable growth.

As a Group Practice model, the ability to attract and retain talent is a key part of the Group's overall success strategy. Our doctors, nurses, healthcare workers and other frontline service personnel are critical resources of the Group. Across the healthcare industry globally, the shortage of healthcare workers had been exacerbated by COVID-19 and remains a challenge, especially in Singapore where we need to compete globally for the same pool of healthcare talents.

Under its Raffles Healthcare Institute, Singapore, the Group offers placements in undergraduate and advanced specialty trainees from various educational institutions to help them gain clinical and leadership learning experiences. The Group also partners with the Yong Loo Lin School of Medicine and Duke-NUS Graduate Medical School as well as the National University of Singapore, to offer clinical attachments to medical students for their respective undergraduate and Master programmes in Family Medicine. In addition, the Group is an Institute of Technical Education (ITE) approved training centre and is able to offer Certified on-the-job training and clinical attachments for National ITE Certificate (NITEC) in nursing in Singapore.

To address shortages in healthcare workers, the Group actively developed its own pipeline for healthcare talent to expand beyond the traditional sources. It also has a continuous education program that offers continuing professional development for nurses. Raffles Hospital Singapore is the only hospital in Singapore that has been awarded the highest recognition - Accreditation with Distinction, by the American Nursing Credentialing Centre as a provider of nursing continuing professional development. This accreditation is a testament to the caliber of the professional education and development of our nurses who continuously receive updated knowledge of best nursing practices - it also helps us attract and retain talents.

The Group is also committed to providing career development to our staff through targeted training and upgrading, experiential learning and sharing of best practices as well as mentoring to develop our management bench strength and for succession planning.

We also periodically conduct compensation and benefits benchmarking exercises to ensure that we keep pace with market practices and trends.

Market and Competition

Although the Group has an established history in the healthcare industry, competition remains keen from both key players and new entrants in the industry. Consolidation of individual and smaller practices can create new competitors of size and scale within the healthcare industry to challenge the market position of the Group. The Group recognises that it needs to continue stay ahead of its competitors and strengthen its competitive edge to retain and grow its market share.

As the Group expands beyond Singapore, it needs to develop expertise and capabilities to execute and deliver its strategic objectives as well as navigate a different regulatory and cultural environment in each different geography, while remaining true to its ethos. The Group recognises the need to continue to develop its organisational and management capabilities to address the challenges, opportunities and threats in the diverse markets in which we operate.

Risk Management

Compliance Risk

Laws, Regulations & Compliance

The Group operates in a highly regulated environment. Accordingly, the Group's businesses and operations are dependent on relevant licensing and governmental approvals, which are subject to regular inspections, audits and renewal. The regulatory conditions governing the Group's operations could also be subject to change from time to time. To minimise the risk of non-compliance, the Group closely monitors developments in relevant standards and regulations locally, regionally, and globally. Where necessary, the Group will engage with the relevant authorities and subject matter experts to remain abreast of such changes.

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

Code of Business Conduct

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

To align our corporate and best practices, we have included training on data security, anti-bribery and anti-corruption, amongst others, into our orientation programmes.

Employees in key decision-making positions should not put themselves in positions of conflicts of interest and are required to make immediate declaration of any potential conflict of interests to human resource and annual declarations of the same.

The Group has also put in place, a whistleblowing policy that ensures the protection of the whistleblower against detrimental or unfair treatment, and to maintain confidentiality of the whistleblower's identity and where harassment or victimisation of the whistleblower will not be tolerated.

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

Financial Risk

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

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

Further details on the Group's risk governance framework and risk management policies are also set out in the Corporate Governance Report, under Principle 9: Risk Management and Internal Controls on pages 96 and 97.

Financial Report

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Directors' Statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2023.

In our opinion:

(a) the financial statements set out on pages 130 to 228 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and financial position of the Company as at 31 December 2023 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

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

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

DIRECTORS

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

Dr Loo Choon Yong	
Mr Eric Ang Teik Lim	
Mr Lew Yoong Keong Allen	
Mr Png Cheong Boon	
Mr Tan Wern Yuen	
Ms Chong Chuan Neo	
Professor Sung Jao Yiu	
Mr Lim Sim Seng	(appointed on 1 August 2023)
Mr Tan Soo Nan	
Mr Olivier Lim Tse Ghow	
Dr Sarah Lu Qinghui	
Dr Lu Liangjian David	(appointed on 1 August 2023)

Directors' Statement

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in a related corporation are as follows:

	Holdings in the name of the director, spouse or infant children		Other holdings in which the director is deemed to have an interest	
The Company	**At beginning of the year/ date of appointment**	**At end of the year**	**At beginning of the year/ date of appointment**	**At end of the year**
		Ordinary Shares		
Dr Loo Choon Yong	202,500,534	202,500,534	782,149,870	782,149,870
Mr Eric Ang Teik Lim	15,000	15,000	–	–
Mr Lew Yoong Keong Allen	200,000	200,000	–	–
Mr Tan Soo Nan	4,541,000	4,671,000	–	–
Mr Olivier Lim Tse Ghow	451,016	526,016	–	–
Dr Sarah Lu Qinghui	53,816	58,066	62,755,366	62,755,366
Dr Lu Liangjian David	–	–	62,755,366	62,755,366

The Company	At beginning of the year	At end of the year	Option price per share	Date of grant
		Options to subscribe for ordinary shares		
Mr Eric Ang Teik Lim	250,000	250,000	$0.81	05/10/2020
	200,000	200,000	$1.40	01/09/2021
	260,000	260,000	$1.37	01/09/2022
	–	320,000	$1.26	04/09/2023
Mr Lew Yoong Keong Allen	200,000	200,000	$1.40	01/09/2021
	200,000	200,000	$1.37	01/09/2022
	–	240,000	$1.26	04/09/2023
Mr Tan Wern Yuen	50,000	50,000	$1.40	01/09/2021
	180,000	180,000	$1.37	01/09/2022
	–	200,000	$1.26	04/09/2023

Directors' Statement

DIRECTORS' INTERESTS (CONT'D)

The Company	At beginning of the year	At end of the year	Option price per share	Date of grant
	Options to subscribe for ordinary shares			
Mr Tan Soo Nan	125,000	–	$1.09	03/09/2018
	200,000	200,000	$1.04	01/07/2019
	350,000	350,000	$0.81	05/10/2020
	240,000	240,000	$1.40	01/09/2021
	240,000	240,000	$1.37	01/09/2022
	–	240,000	$1.26	04/09/2023
Mr Olivier Lim Tse Ghow	75,000	–	$1.09	03/09/2018
	100,000	100,000	$1.04	01/07/2019
	250,000	250,000	$0.81	05/10/2020
	200,000	200,000	$1.40	01/09/2021
	200,000	200,000	$1.37	01/09/2022
	–	200,000	$1.26	04/09/2023
Dr Sarah Lu Qinghui	100,000	100,000	$1.08	01/07/2019
	215,000	215,000	$1.40	01/09/2021
	230,000	230,000	$1.37	01/09/2022
	–	75,000	$1.26	04/09/2023
Ms Chong Chuan Neo	150,000	150,000	$1.37	01/09/2022
	–	200,000	$1.26	04/09/2023
Professor Sung Jao Yiu	120,000	120,000	$1.37	01/09/2022
	–	200,000	$1.26	04/09/2023

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

Options granted in 2018 to subscribe for shares in the Company are exercisable during a period commencing 24 months from the Date of Grant for the first 30% of options (rounded up to the nearest thousand), 36 months from the Date of Grant for the next 30% of options (rounded up to the nearest thousand) and the balance after 48 months from the Date of Grant and will expire at the end of 5 years for non-employees from the Date of Grant.

The options in the Company granted in 2019, 2020, 2021, 2022 and 2023 are exercisable:

(a) during a period commencing 12 months from the Date of Grant for all the options and will expire at the end of 5 years for non-employees from the Date of Grant; and

(b) during a period commencing 24 months from the Date of Grant for the first 30% of options (rounded up to the nearest thousand), 36 months from the Date of Grant for the next 30% of options (rounded up to the nearest thousand) and the balance after 48 months from the Date of Grant and will expire at the end of 10 years for employees from the Date of Grant.

Directors' Statement

DIRECTORS' INTERESTS (CONT'D)

The Company	At beginning of the year	At end of the year	Date of grant
		Share Awards	
Mr Tan Soo Nan	5,000	–	05/10/2020
Dr Sarah Lu Qinghui	2,500	–	05/10/2020
	3,500	1,750	01/09/2021

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

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

	Holdings in the name of the director, spouse or infant children		Other holdings in which the director is deemed to have an interest	
Immediate Holding Company	At beginning of the year	At end of the year	At beginning of the year	At end of the year
		Ordinary Shares		
Raffles Medical Holdings Pte Ltd				
Dr Loo Choon Yong	112,500	112,500	–	–

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

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2024.

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

Directors' Statement

SHARE BASED COMPENSATION PLANS

Employees' Share Option Scheme

Raffles Medical Group (2010) Share Option Scheme

(1) On 30 April 2010, the Shareholders of the Company approved the Raffles Medical Group (2010) Share Option Scheme (RMG ESOS 2010) at the Annual General Meeting. Details of the RMG ESOS 2010 were set out in the Circular to Shareholders dated 8 April 2010.

(2) The RMG ESOS 2010 was administered by the Nomination & Compensation Committee (NCC), which at the date of this statement, comprises the following directors:

Mr Png Cheong Boon (Chairman), Non-Executive and Independent Director
Mr Eric Ang Teik Lim, Non-Executive and Lead Independent Director
Ms Chong Chuan Neo, Non-Executive and Independent Director
Professor Sung Jao Yiu, Non-Executive and Independent Director

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

(3) No additional options were granted pursuant to the RMG ESOS 2010 for the financial year ended 31 December 2023.

(4) Since the commencement of the RMG ESOS 2010, no options have been granted to controlling shareholders of the Company and their associated companies and parent group employees. No participant has received 5% or more of the total number of options available under the RMG ESOS 2010. There is no discount granted to the subscription price of the option compared to the last dealt price for three consecutive market days preceding to the date of the option.

(5) As at 31 December 2023, outstanding options to take up unissued ordinary shares in the Company under the RMG ESOS 2010 were as follows:

Date of grant of options	Exercise price per share*	Options outstanding at 1 January 2023*	Options granted*	Options exercised*	Options forfeited/ expired*	Options outstanding at 31 December 2023*	Number of option holders at 31 December 2023
01/04/2013	$1.09	4,407,000	–	4,240,000	167,000	–	–
01/04/2014	$1.07	5,842,000	–	542,000	129,000	5,171,000	133
01/04/2015	$1.31	12,386,000	–	250,000	–	12,136,000	213
01/04/2016	$1.50	9,420,000	–	–	–	9,420,000	185
03/04/2017	$1.42	4,327,000	–	1,000	–	4,326,000	206
03/09/2018	$1.09	7,091,000	–	937,000	–	6,154,000	195
01/07/2019	$1.04	8,948,000	–	494,000	–	8,454,000	252
01/07/2019	$1.08	100,000	–	–	–	100,000	1
		52,521,000	–	6,464,000	296,000	45,761,000	

* On 11 May 2016, the Company completed a proposed share split of every one (1) existing share held by Shareholders into three (3) shares in the capital of the Company (Share Split). The above figures are after adjustment for Share Split.

Directors' Statement

SHARE BASED COMPENSATION PLANS (CONT'D)

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

Name of director	Number of Shares comprised in Options granted during the financial year ended 31 December 2023	Aggregate number of Shares comprised in Options granted since commencement of RMG ESOS 2010 to 31 December 2023	Aggregate number of Shares comprised in Options exercised since commencement of RMG ESOS 2010 to 31 December 2023	Aggregate number of Shares comprised in Options lapsed since commencement of RMG ESOS 2010 to 31 December 2023	Aggregate number of Shares comprised in Options outstanding as at 31 December 2023
Mr Tan Soo Nan	–	1,715,000	575,000	940,000	200,000
Mr Olivier Lim Tse Ghow	–	375,000	75,000	200,000	100,000
Dr Sarah Lu Qinghui	–	100,000	–	–	100,000
	–	2,190,000	650,000	1,140,000	400,000

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

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

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

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

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

Directors' Statement

SHARE BASED COMPENSATION PLANS (CONT'D)

Raffles Medical Group (2020) Share Option Scheme

(1) At the Company's Annual General Meeting held on 26 June 2020, the Shareholders of the Company approved the Raffles Medical Group (2020) Share Option Scheme (RMG ESOS 2020), which superseded the Raffles Medical Group (2010) Share Option Scheme (RMG ESOS 2010). The RMG ESOS 2020 was amended at the subsequent Annual General Meeting held on 26 April 2021. Details of the RMG ESOS 2020 as amended were set out in the Circular dated 1 April 2021.

(2) Following the termination of the RMG ESOS 2010 in 2020, the subscription rights comprised in options granted pursuant to the RMG ESOS 2010 prior to the termination will not be affected. Such options will continue to be exercisable in accordance with the RMG ESOS 2010. However, no further options will be granted under the RMG ESOS 2010.

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

Mr Png Cheong Boon (Chairman), Non-Executive and Independent Director
Mr Eric Ang Teik Lim, Non-Executive and Lead Independent Director
Ms Chong Chuan Neo, Non-Executive and Independent Director
Professor Sung Jao Yiu, Non-Executive and Independent Director

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

(4) Since the commencement of the RMG ESOS 2020, no participant has received 5% or more of the total number of options available under the RMG ESOS 2020. There is no discount granted to the subscription price of the option compared to the last dealt price for three consecutive market days preceding to the date of the option.

(5) On 4 September 2023, additional options were granted pursuant to the RMG ESOS 2020 to subscribe for ordinary shares at the following exercise prices:

	Company	
	Exercise price per share	**Number of shares**
Non-Executive Directors of the Company and subsidiary	$1.26	1,600,000
Executive Directors of the Company, subsidiaries and other participants	$1.26	8,050,000
		9,650,000

(6) As at 31 December 2023, outstanding options to take up unissued ordinary shares in the Company under the RMG ESOS 2020 were as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1 January 2023	Options granted	Options exercised	Options forfeited/ expired	Options outstanding at 31 December 2023	Number of option holders at 31 December 2023
05/10/2020	$0.81	8,379,000	–	462,000	–	7,917,000	105
01/09/2021	$1.40	6,855,000	–	–	–	6,855,000	124
01/09/2022	$1.37	8,700,000	–	–	–	8,700,000	116
04/09/2023	$1.26	–	9,650,000	–	20,000	9,630,000	145
		23,934,000	9,650,000	462,000	20,000	33,102,000	

Directors' Statement

SHARE BASED COMPENSATION PLANS (CONT'D)

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

Name of director	Number of Shares comprised in Options granted during the financial year ended 31 December 2023	Aggregate number of Shares comprised in Options granted since commencement of the RMG ESOS 2020 to 31 December 2023	Aggregate number of Shares comprised in Options exercised since commencement of the RMG ESOS 2020 to 31 December 2023	Aggregate number of Shares comprised in Options lapsed since commencement of the RMG ESOS 2020 to 31 December 2023	Aggregate number of Shares comprised in Options outstanding as at 31 December 2023
Mr Eric Ang Teik Lim	320,000	1,030,000	–	–	1,030,000
Mr Lew Yoong Keong Allen	240,000	640,000	–	–	640,000
Mr Tan Wern Yuen	200,000	430,000	–	–	430,000
Mr Tan Soo Nan	240,000	1,070,000	–	–	1,070,000
Mr Olivier Lim Tse Ghow	200,000	850,000	–	–	850,000
Dr Sarah Lu Qinghui	–	380,000	–	–	380,000
Ms Chong Chuan Neo	200,000	350,000	–	–	350,000
Professor Sung Jao Yiu	200,000	320,000	–	–	320,000
	1,600,000	5,070,000	–	–	5,070,000

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

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

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

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

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

Directors' Statement

SHARE BASED COMPENSATION PLANS (CONT'D)

Raffles Medical Group (2020) Performance Share Plan

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

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

Mr Png Cheong Boon (Chairman), Non-Executive and Independent Director
Mr Eric Ang Teik Lim, Non-Executive and Lead Independent Director
Ms Chong Chuan Neo, Non-Executive and Independent Director
Professor Sung Jao Yiu, Non-Executive and Independent Director

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

(3) As at 31 December 2023, outstanding share awards to take up unissued ordinary shares in the Company under the RMG PSP 2020 were as follows:

Date of grant of awards	Share Awards outstanding at 1 January 2023	Share Awards granted	Share Awards released	Share Awards forfeited/ expired	Share Awards outstanding at 31 December 2023	Number of Share Awards holders at 31 December 2023
05/10/2020	626,600	–	558,150	63,750	4,700	3
01/09/2021	976,000	–	379,400	217,500	379,100	287
01/09/2022	1,012,600	–	–	86,700	925,900	254
04/09/2023	–	835,000	–	8,300	826,700	267
	2,615,200	835,000	937,550	376,250	2,136,400	

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

Name of director	Number of Shares delivered pursuant to Awards released during the financial year ended 31 December 2023	Aggregate number of Shares comprised in Awards granted since commencement of the RMG PSP 2020 to 31 December 2023	Aggregate number of Shares comprised in Awards which have vested since commencement of the RMG PSP 2020 to 31 December 2023	Aggregate number of shares comprised in Awards which have not been released as at 31 December 2023
Mr Eric Ang Teik Lim	–	15,000	15,000	–
Mr Tan Soo Nan	5,000	10,000	10,000	–
Mr Olivier Lim Tse Ghow	–	10,000	10,000	–
	5,000	35,000	35,000	–

Directors' Statement

SHARE BASED COMPENSATION PLANS (CONT'D)

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

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

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

(i) in relation to performance related awards, shares which are subject to that award shall only be released to the participants at the end of the relevant vesting period or on the relevant vesting date, subject to the NCC having determined that the performance conditions have been satisfied at the end of the relevant performance period;

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

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

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

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

AUDIT & RISK COMMITTEE

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

- Mr Lew Yoong Keong Allen (Chairman), Non-Executive and Independent Director
- Mr Eric Ang Teik Lim, Non-Executive and Lead Independent Director
- Mr Tan Wern Yuen, Non-Executive and Independent Director

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

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

The ARC also reviewed the following:

- assistance provided by the Company's officers to the external and internal auditors;
- half-yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

Directors' Statement

AUDIT & RISK COMMITTEE (CONT'D)

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

The ARC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

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

AUDITORS

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

On behalf of the Board of Directors

Dr Loo Choon Yong
Chairman

Mr Lew Yoong Keong Allen
Director

24 February 2024

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 2023, 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 material accounting policy information as set out on pages 130 to 228.

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 2023 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.

<u>Valuation of goodwill</u>
(Refer to note 5 to the financial statements)

The Group has goodwill with a carrying value of $10,759,000 (2022: $11,150,000) as at 31 December 2023. 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.

Independent Auditors' Report

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

Our response

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

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 $246,100,000 (2022: $273,400,000) as at 31 December 2023.

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

Our response

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

Valuation of property, plant and equipment
(Refer to note 4 to the financial statements)

As at 31 December 2023, the carrying amount of property, plant and equipment amounted to $768,303,000 (2022: $739,072,000), which includes the Group's hospitals in China. The Group's policy is to carry property, plant and equipment at cost less accumulated depreciation and accumulated impairment losses.

In 2022, the Group has identified impairment indicators in the China hospitals. Accordingly, management has estimated the recoverable amounts of these hospitals based on independent external valuations. As a result of the assessment, an impairment loss of $9,958,000 was recognised for these hospitals. In 2023, no further impairment loss was recognised.

The impairment assessment is considered a key audit matter because it involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. Any changes in the assumptions will have an impact on the recoverable amounts of these hospitals.

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 involved our internal valuation specialist to consider the valuation methodology used against those applied by the valuer for similar asset types and compared the external valuations against recently transacted prices of comparable assets.

<u>Valuation of Insurance Contract Liabilities</u>
(Refer to notes 3.10 and 16 to the financial statements)

On 1 January 2023, the Group transitioned to reporting under the new accounting standard *SFRS(I) 17 Insurance Contracts* (SFRS(I) 17) which replaced *SFRS(I) 4 Insurance Contracts*.

The Group's insurance contract liabilities as at 31 December 2023 is S$91,435,000 (2022: $72,517,000), which constitutes 18.9% (2022: 14.4%) of the Group's total liabilities as at 31 December 2023. Under SFRS(I) 17, the Group measures the insurance contract liabilities which comprise liabilities for remaining coverage (LRC) and liabilities for incurred claims (LIC) for groups of insurance contracts using the premium allocation approach (PAA). A loss component (LC) is recognised when there are facts and circumstances that indicate that a group of insurance contracts is onerous. The computed LC is the difference between the carrying amount of the LRC and the fulfilment cash flows that relate to the remaining coverage.

The valuation of the insurance contract liabilities and determination of LC on onerous contracts are complex and involves actuarial valuation methodologies and calculations requiring significant judgement and assumptions by management. Due to the complexity and significant judgement and assumptions involved in the estimation of insurance contract liabilities, we have considered this to be a key audit matter.

Our response

We tested how management made the estimate and performed audit procedures to address this matter:

- We understood the actuarial process, including models changes and assumptions setting by evaluating management's assessment on PAA eligibility and methods for measurement of LIC and LRC.

- We assessed the reasonableness of the valuation methodologies and key assumptions used to determine the risk adjustments, loss components on insurance contracts and assessing the underlying discounted cash flow model.

Our assessment of the valuation methodologies and assumptions included:

- Obtaining an understanding of, and testing, the controls in place to determine the assumptions and the accuracy and completeness of the data used.

- Examining the approach used by management and management's specialist to derive the key assumptions by applying to our industry knowledge and experience.

- Challenging the key assumptions used by management against past experience and market observable data (if any) and our experience of market practice.

We checked the calculation of the liability adequacy test and assessed the related results in order to ascertain whether the insurance contract liabilities used for the inforce business are adequate in the context of a valuation on current best estimate assumptions.

We have assessed the appropriateness of the transition approach, the related changes in presentation and disclosures in the consolidated financial statements arising from the effects of adopting SFRS(I) 17.

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.

When we read the Shareholdings Statistics, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action in accordance with SSAs.

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.

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.

Independent Auditors' Report

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
24 February 2024

Consolidated Statement of Financial Position

Year ended 31 December 2023

	Note	Group			Company	
		31 Dec 2023 $'000	31 Dec 2022 $'000 Restated*	1 Jan 2022 $'000 Restated*	31 Dec 2023 $'000	31 Dec 2022 $'000
Non-current assets						
Property, plant and equipment	4	768,303	739,072	797,362	9,843	7,406
Intangible assets and goodwill	5	18,843	20,274	31,830	567	556
Investment properties	6	246,100	273,400	274,000	–	–
Subsidiaries	26	–	–	–	890,405	857,298
Deferred tax assets	7	2,550	2,425	1,138	245	392
Trade and other receivables	8	7,737	2,274	1,857	5,383	4,657
		1,043,533	1,037,445	1,106,187	906,443	870,309
Current assets						
Inventories		12,465	13,098	13,374	2,589	2,163
Trade and other receivables	8	80,281	190,674	157,228	41,882	151,355
Insurance contract assets	16	2,620	954	1,757	–	–
Reinsurance contract assets	16	45,733	36,496	34,967	–	–
Cash and cash equivalents	9	343,598	253,127	264,988	192,998	121,084
		484,697	494,349	472,314	237,469	274,602
Total assets		1,528,230	1,531,794	1,578,501	1,143,912	1,144,911
Equity attributable to owners of the Company						
Share capital	10	439,819	432,379	426,346	439,819	432,379
Reserves	10	587,919	580,021	532,096	593,823	562,132
		1,027,738	1,012,400	958,442	1,033,642	994,511
Non-controlling interests		16,114	15,350	15,826	–	–
Total equity		1,043,852	1,027,750	974,268	1,033,642	994,511
Non-current liabilities						
Loans and borrowings	12	54,645	63,376	77,914	10,000	10,000
Trade and other payables	13	14,553	56,478	50,316	8,006	21,842
Lease liabilities	14	27,713	13,441	13,678	1,325	1,822
Deferred tax liabilities	7	8,083	7,759	9,665	–	–
		104,994	141,054	151,573	19,331	33,664
Current liabilities						
Loans and borrowings	12	16,016	9,667	96,297	11,356	9,667
Current tax liabilities		27,135	49,631	29,095	10,958	30,056
Trade and other payables	13	210,684	208,763	237,815	68,128	76,534
Lease liabilities	14	10,049	9,659	10,243	497	479
Other financial liabilities	15	2,700	2,744	2,761	–	–
Insurance contract liabilities	16	91,435	72,517	64,727	–	–
Reinsurance contract liabilities	16	21,365	10,009	11,722	–	–
		379,384	362,990	452,660	90,939	116,736
Total liabilities		484,378	504,044	604,233	110,270	150,400
Total equity and liabilities		1,528,230	1,531,794	1,578,501	1,143,912	1,144,911

* See Note 2.5.

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

Consolidated Statement of Profit or Loss

Year ended 31 December 2023

	Note	2023 $'000	2022 $'000 Restated*
Revenue	18	706,920	822,916
Other operating income	19	16,713	7,957
Inventories and consumables used		(57,922)	(61,112)
Purchased and contracted services		(32,669)	(30,966)
Insurance service expenses	16	(133,359)	(91,011)
Net expenses from reinsurance contracts	16	(3,371)	(12,904)
Staff costs		(301,506)	(332,774)
Depreciation of property, plant and equipment	4	(35,504)	(37,200)
Amortisation of intangible assets	5	(1,530)	(1,930)
Operating lease expenses		(1,577)	(1,553)
Impairment loss on trade receivables		(417)	(1,015)
Impairment loss on property, plant and equipment	4	–	(9,958)
Impairment loss on intangible assets and goodwill	5	–	(7,338)
Other operating expenses		(40,023)	(47,661)
Profit from operating activities		115,755	195,451
Finance income		9,762	2,740
Finance costs		(6,078)	(6,851)
Profit before tax		119,439	191,340
Tax expense	21	(28,349)	(47,940)
Profit for the year	20	91,090	143,400
Profit attributable to:			
Owners of the Company		90,150	143,214
Non-controlling interests		940	186
Profit for the year		91,090	143,400
Earnings per share			
Basic earnings per share (cents)	22	4.85	7.71
Diluted earnings per share (cents)	22	4.82	7.67

* See Note 2.5.

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

Consolidated Statement of Comprehensive Income

Year ended 31 December 2023

	2023 $'000	2022 $'000 Restated*
Profit for the year	91,090	143,400
Other comprehensive income		
Item that is or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences - foreign operations	(9,497)	(22,769)
Total comprehensive income for the year	81,593	120,631
Total comprehensive income attributable to:		
Owners of the Company	80,829	121,107
Non-controlling interests	764	(476)
Total comprehensive income for the year	81,593	120,631

* See Note 2.5.

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2023

	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
Balance at 1 January 2022, as previously stated	426,346	9,089	33,061	16,367	(4,818)	(3,230)	483,979	960,794	15,826	976,620
Adjustment on initial application of SFRS(I) 17, net of tax	–	–	–	–	–	–	(2,352)	(2,352)	–	(2,352)
Restated balance at 1 January 2022*	426,346	9,089	33,061	16,367	(4,818)	(3,230)	481,627	958,442	15,826	974,268
Total comprehensive income for the year (restated)*										
Profit for the year	–	–	–	–	–	–	143,214	143,214	186	143,400
Other comprehensive income										
Foreign currency translation differences - foreign operations	–	(22,107)	–	–	–	–	–	(22,107)	(662)	(22,769)
Total other comprehensive income for the year	–	(22,107)	–	–	–	–	–	(22,107)	(662)	(22,769)
Total comprehensive income for the year (restated)*	–	(22,107)	–	–	–	–	143,214	121,107	(476)	120,631
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Issue of shares upon the exercise of options under Raffles Medical Group Employees' Share Option Schemes	6,033	–	–	–	–	–	–	6,033	–	6,033
Own shares acquired	–	–	–	–	–	(24,344)	–	(24,344)	–	(24,344)
Own shares reissued pursuant to Raffles Medical Group Performance Share Plan	–	–	(463)	–	(217)	680	–	–	–	–
Value of employee services received for issue of share options and share awards	–	–	3,160	–	–	–	–	3,160	–	3,160
Final dividend paid of 2.80 cents per ordinary share - Cash	–	–	–	–	–	–	(52,015)	(52,015)	–	(52,015)
Total contributions by and distributions to owners	6,033	–	2,697	–	(217)	(23,664)	(52,015)	(67,166)	–	(67,166)
Changes in ownership interests in subsidiaries										
Present value of the exercise price of written put options	–	–	–	–	17	–	–	17	–	17
Total changes in ownership interests in subsidiaries	–	–	–	–	17	–	–	17	–	17
Total transactions with owners	6,033	–	2,697	–	(200)	(23,664)	(52,015)	(67,149)	–	(67,149)
At 31 December 2022 (Restated)	432,379	(13,018)	35,758	16,367	(5,018)	(26,894)	572,826	1,012,400	15,350	1,027,750

* See Note 2.5.

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

Consolidated Statement of Changes in Equity (Cont'd)

Year ended 31 December 2023

	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
Balance at 1 January 2023, as previously stated	432,379	(13,018)	35,758	16,367	(5,018)	(26,894)	575,480	1,015,054	15,350	1,030,404
Adjustment on initial application of SFRS(I) 17, net of tax	–	–	–	–	–	–	(2,654)	(2,654)	–	(2,654)
Restated balance at 1 January 2023	432,379	(13,018)	35,758	16,367	(5,018)	(26,894)	572,826	1,012,400	15,350	1,027,750
Total comprehensive income for the year										
Profit for the year	–	–	–	–	–	–	90,150	90,150	940	91,090
Other comprehensive income										
Foreign currency translation differences - foreign operations	–	(9,321)	–	–	–	–	–	(9,321)	(176)	(9,497)
Total other comprehensive income for the year	–	(9,321)	–	–	–	–	–	(9,321)	(176)	(9,497)
Total comprehensive income for the year	–	(9,321)	–	–	–	–	90,150	80,829	764	81,593
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	7,440	–	–	–	–	–	–	7,440	–	7,440
Own shares acquired	–	–	–	–	–	(5,698)	–	(5,698)	–	(5,698)
Own shares reissued pursuant to Raffles Medical Group Performance Share Plan	–	–	(992)	–	(117)	1,109	–	–	–	–
Value of employee services received for issue of share options and share awards	–	–	3,406	–	–	–	–	3,406	–	3,406
Final dividend paid of 3.80 cents per ordinary share - Cash	–	–	–	–	–	–	(70,683)	(70,683)	–	(70,683)
Total contributions by and distributions to owners	7,440	–	2,414	–	(117)	(4,589)	(70,683)	(65,535)	–	(65,535)
Changes in ownership interests in subsidiaries										
Present value of the exercise price of written put options	–	–	–	–	44	–	–	44	–	44
Total changes in ownership interests in subsidiaries	–	–	–	–	44	–	–	44	–	44
Total transactions with owners	7,440	–	2,414	–	(73)	(4,589)	(70,683)	(65,491)	–	(65,491)
At 31 December 2023	439,819	(22,339)	38,172	16,367	(5,091)	(31,483)	592,293	1,027,738	16,114	1,043,852

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

Consolidated Statement of Cash Flows

Year ended 31 December 2023

	Note	2023 $'000	2022 $'000 Restated*
Cash flows from operating activities			
Profit for the year		91,090	143,400
Adjustments for:			
Amortisation of intangible assets		2,346	2,703
Changes in fair value of investment properties		(7,400)	600
Depreciation of property, plant and equipment		35,901	37,513
Equity-settled share-based payment transactions		3,406	3,160
Finance costs		6,183	6,882
Finance income		(9,762)	(2,740)
Gain on disposal of property, plant and equipment, net		(349)	(18)
Gain on lease derecognition		(48)	(120)
Impairment loss on intangible assets and goodwill		–	7,338
Impairment loss on property, plant and equipment		–	9,958
Intangible asset written off		3	9
Property, plant and equipment written off		159	1,244
Tax expense		28,349	47,940
		149,878	257,869
Changes in:			
- Insurance contract liabilities		18,918	7,790
- Insurance contract assets		(1,666)	803
- Inventories		633	276
- Trade and other payables		(37,339)	(6,228)
- Trade and other receivables		106,254	(31,897)
- Reinsurance contract liabilities		11,356	(1,713)
- Reinsurance contract assets		(9,237)	(1,529)
Cash generated from operations		238,797	225,371
Tax paid		(49,485)	(29,146)
Net cash from operating activities		189,312	196,225
Cash flows from investing activities			
Acquisition of intangible assets		(1,413)	(286)
Interest received		9,010	2,306
Proceeds from disposal of property, plant and equipment		519	161
Purchase of property, plant and equipment		(20,525)	(25,013)
Net cash used in investing activities		(12,409)	(22,832)
Cash flows from financing activities			
Acquisition of own shares		(5,698)	(24,344)
Dividends paid to owners of the Company		(70,683)	(52,015)
Interest paid		(3,974)	(6,256)
Lease interest paid		(1,143)	(540)
Repayment of loan to minority shareholder		(18)	–
Payment of lease liabilities		(11,526)	(12,165)
Proceeds from bank loans		110,940	85,609
Proceeds from issue of shares under share option scheme		7,440	6,033
Repayment of bank loans		(110,861)	(180,024)
Net cash used in financing activities		(85,523)	(183,702)
Net increase/(decrease) in cash and cash equivalents		91,380	(10,309)
Cash and cash equivalents at 1 January		252,054	263,908
Effect of exchange rate fluctuations on cash held		(891)	(1,545)
Cash and cash equivalents at 31 December	9	342,543	252,054

* See Note 2.5.

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

Notes To The Financial Statements
Year ended 31 December 2023

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 24 February 2024.

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 2023 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
Raffles Wellness (incorporated on 16 May 2023)

The Group and the Company are partners of the following:

Changi Medical Services LLP (struck off on 10 October 2023)
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 2023

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I)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 and are consistent with the Group's risk management and climate-related commitments where appropriate. 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 and note 16 - insurance and reinsurance contract.

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

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.

The Group has an established process with respect to the measurement of fair values. Management reviews significant unobservable inputs and valuation adjustments. If third party information, such as property valuation report, is used to measure fair values, the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I)s, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Audit & Risk Committee.

Notes To The Financial Statements

Year ended 31 December 2023

2. BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

Measurement of fair values (cont'd)

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

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

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

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

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

- Note 6 – Investment properties
- Note 11 – Share based payment
- Note 17 – Financial instruments

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I) and amendments to SFRS(I)s for the first time for the annual period beginning on 1 January 2023:

- *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*
- *Amendments to SFRS(I) 1-12: International Tax Reform- Pillar Two Model Rules*

Other than the below, the application of these amendments to standards does not have a material effect on the financial statements.

Notes To The Financial Statements

Year ended 31 December 2023

2. BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies (cont'd)

New standards and amendments (cont'd)

(i) Insurance Contracts

The Group has initially applied *SFRS(I) 17 Insurance Contracts*, including any consequential amendments to other standards, from 1 January 2023. The standard has brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Group has restated certain comparative amounts and presented a third consolidated statement of financial position as at 1 January 2022.

i. Recognition, measurement and presentation of insurance contracts

SFRS(I) 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts. It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin (CSM).

Under SFRS(I) 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage (LRC) that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

When measuring LRC, the Group applies the premium allocation approach (PAA) for insurance contracts with contract boundaries of one year or less. For contracts that have contract boundaries of more than one year, the Group performs an eligibility test to determine whether applying the PAA to such groups of contracts would result in a measurement that differs materially from the measurement produced by the general measurement model. The PAA is similar to the Group's previous accounting treatment.

When measuring liabilities for incurred claims (LIC), the Group now discounts the future cash flows unless (i) the cash flows are expected to occur in one year or less from the date on which the claims are incurred, or (ii) discounting the cash flows would not result in a measurement of LIC that differs materially from the measurement based on undiscounted cash flows.

As required by SFRS(I) 17, the Group now includes an explicit risk adjustment for non-financial risk for LRC as well as LIC.

Previously, all acquisition costs were recognised and presented as separate assets from the related insurance contracts (deferred acquisition costs) until those costs were recognised in profit or loss. Under SFRS(I) 17, the Group has chosen to recognise insurance acquisition cash flows for contracts measured under the PAA as an expense when incurred. Hence, the Group does not recognise insurance acquisition cash flows in the LRC or amortise insurance acquisition cash flows as insurance service expenses.

Income and expenses from reinsurance contracts are now presented as a single net amount in profit or loss. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

Notes To The Financial Statements

Year ended 31 December 2023

2. BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies (cont'd)

New standards and amendments (cont'd)

(i) Insurance Contracts (cont'd)

ii. Transition

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

- identified, recognised and measured each group of insurance and reinsurance contracts as if SFRS(I) 17 had always been applied;
- identified, recognised and measured any assets for insurance acquisition cash flows as if SFRS(I) 17 had always been applied;
- derecognised previously reported balances that would not have existed if SFRS(I)17 had always been applied. These included deferred acquisition costs for insurance contracts, insurance receivables and insurance payables. Under SFRS(I) 17, they are included in the measurement of the insurance contracts; and
- recognised any resulting net difference in equity.

The Group has applied the transition provisions in SFRS(I) 17 and has not disclosed the impact of the adoption of SFRS(I) 17 on each financial statement line item. The effects of adopting SFRS(I) 17 on the consolidated financial statements at 1 January 2022 are presented in the consolidated statement of changes in equity.

(ii) Material accounting policy information

The Group adopted *Amendments to SFRS(I)1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has adopted *Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.* The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases and decommissioning liabilities.

For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to accumulated profits or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

Notes To The Financial Statements

Year ended 31 December 2023

2. BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies (cont'd)

New standards and amendments (cont'd)

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (cont'd)

The Group previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statements of financial position because the balances qualify for offset under paragraph 74 of SFRS(I)1-12. There was also no impact on opening accumulated profits on adoption of the amendments as at 1 January 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised (see note 7).

3. MATERIAL 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 material accounting policies.

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 consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see note 3.6). Any gain on bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities (see note 3.2).

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 are measured at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Notes To The Financial Statements

Year ended 31 December 2023

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

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

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

Loss of control

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

Transactions eliminated on consolidation

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

Subsidiaries in the separate financial statements

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

Notes To The Financial Statements

Year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.2 Financial instruments

Recognition and initial measurement

Non-derivative financial assets and financial liabilities

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

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

Classification and subsequent measurement

Non-derivative financial assets

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

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

Financial assets at amortised cost

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

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

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.

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

Notes To The Financial Statements

Year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.2 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 (SPPI)

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 gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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

Financial liabilities are classified as measured at amortised cost.

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

Notes To The Financial Statements

Year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.2 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.

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, transferred assets are not derecognised.

Financial liabilities

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

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

Interest rate benchmark reform

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

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

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

Offsetting

Financial assets and financial liabilities are offset and the net amount is 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 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.2 Financial instruments (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.

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.

3.3 Property, plant and equipment

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.

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.

Notes To The Financial Statements

Year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 Intangible assets and goodwill

Goodwill

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

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.

3.5 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 or used 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.

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

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

Notes To The Financial Statements

Year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.6 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.

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.

Notes To The Financial Statements
Year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.6 Impairment (cont'd)

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

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 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.

Notes To The Financial Statements
Year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.6 Impairment (cont'd)

Non-financial assets (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.

3.7 Employee benefits

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.

3.8 Revenue

Rendering of services

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

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

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

Notes To The Financial Statements

Year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.8 Revenue (cont'd)

Rendering of services (cont'd)

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.

3.9 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 assets and liabilities are offset only if certain criteria are met.

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

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

Notes To The Financial Statements

Year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.10 Insurance and reinsurance contracts

Classification

Contracts under which the Group accepts significant insurance risk by agreeing to compensate the policyholder or other beneficiaries in the event of an occurrence of an uncertain future event that would adversely affect the policyholder or other beneficiaries are classified as insurance contracts. The Group issues medical insurance policies, personal accident insurance policies, group term life insurance policies and group critical illness insurance policies. These policies are classified as insurance contracts for the purposes of SFRS(I) 17.

Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts.

Insurance and reinsurance contracts also expose the Group to financial risk.

The Group does not accept insurance risk from other insurers.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Group, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. As of the reporting date, there are no 'insurance contracts' and 'reinsurance contracts' that are acquired in a business combination or in a transfer of contracts. All insurance contracts are initiated by the Group.

Separating components from insurance and reinsurance contracts

At inception, the Group separates the following components from an insurance or reinsurance contract and accounts for them as if they were standalone financial instruments:

- derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a standalone instrument; and

- distinct investment components: i.e. investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

Aggregation and recognition of insurance and reinsurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts (i.e. by year of issue) and each annual cohort into three groups based on the profitability of contracts:

- any contracts that are onerous on initial recognition;

- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and

- any remaining contracts in the annual cohort.

Notes To The Financial Statements
Year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.10 Insurance and reinsurance contracts (cont'd)

Aggregation and recognition of insurance and reinsurance contracts (cont'd)

An insurance contract issued by the Group is recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which the Group provides services in respect of any premiums within the boundary of the contract);
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

An insurance contract acquired in a transfer of contracts or a business combination is recognised on the date of acquisition. When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

Insurance acquisition cash flows

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method after considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort.

If insurance acquisition cash flows are directly attributable to a group of contracts (e.g. non-refundable commissions paid on issuance of a contract), then they are allocated to that group and to the groups that will include renewals of those contracts. The allocation to renewals only applies to non-life contracts that have a one-year coverage period. The Group expects to recover part of the related insurance acquisition cash flows through renewals of these contracts. The allocation to renewals is based on the manner in which the Group expects to recover those cash flows.

If insurance acquisition cash flows are directly attributable to a portfolio but not to a group of contracts, then they are allocated to groups in the portfolio using a systematic and rational method.

Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an expense in profit or loss. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than SFRS(I) 17. Such an expense is recognised for each group of contracts to which the insurance acquisition cash flows are allocated.

The Group has elected to recognise insurance acquisition cash flows as expenses when it incurs those costs as the coverage period of each contract in the group at initial recognition is no more than one year. The Group has assessed the impact of acquisition costs related to contracts that has contract boundaries of more than one year to be insignificant.

At each reporting date, the Group revises the amounts allocated to groups to reflect any changes in assumptions that determine the inputs to the allocation method used. Amounts allocated to a group are not revised once all contracts have been added to the group.

Notes To The Financial Statements

Year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.10 Insurance and reinsurance contracts (cont'd)

Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows:

Insurance contracts	Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services). A substantive obligation to provide services ends when: • the Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or • the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date. The reassessment of risks considers only risks transferred from policyholders to the Group, which may include both insurance and financial risks, but excludes lapse and expense risks.
Reinsurance contracts	Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer: • has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or • has a substantive right to terminate the coverage.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations and, therefore, may change over time.

Measurement – Contracts measured under the PAA

The Group uses the PAA to simplify the measurement of groups of contracts when the following criteria are met at inception:

- Insurance contracts: The coverage period of each contract in the group is one year or less, or if the LRC for the group as measured by the PAA is assessed to be not materially different from the LRC for the group as measured by the general measurement model.

- Reinsurance contracts: The coverage period of each contract in the group is one year or less, or if the LRC for the group as measured by the PAA is assessed to be not materially different from the LRC for the group as measured by the general measurement model.

Notes To The Financial Statements

Year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.10 Insurance and reinsurance contracts (cont'd)

Measurement – Contracts measured under the PAA (cont'd)

Insurance contracts

On initial recognition of each group of contracts, the carrying amount of the LRC is measured at the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date, and adjusted for any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any premiums received and decreased by the amount recognised as insurance revenue for services provided and any additional insurance acquisition cash flows allocated after initial recognition. On initial recognition of each group of contracts, the Group expects that the time between providing each part of the services and the related premium due date is no more than a year. Accordingly, the Group has chosen not to adjust the LRC to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognises a loss in profit or loss and increases the LRC to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the LRC. The fulfilment cash flows are discounted (at current rates) if the LIC is also discounted.

The Group recognises the LIC of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows are discounted (at current rates) unless (i) they are expected to be paid in one year or less from the date the claims are incurred, or (ii) discounting the cash flows would not produce a measurement of LIC that is materially different from an undiscounted measurement.

Reinsurance contracts

The Group applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

Derecognition and contract modification

The Group derecognises a contract when it is extinguished - i.e. when the specified obligations in the contract expire, are discharged or cancelled.

The Group also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Group treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

Notes To The Financial Statements

Year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.10 Insurance and reinsurance contracts (cont'd)

Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts are included in the carrying amount of the related portfolios of contracts.

The Group disaggregates amounts recognised in the statement of profit or loss and OCI into (a) revenue and insurance service expenses; and (b) finance income or expenses.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts'.

The Group does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows:

Insurance revenue - Contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Group allocates the expected premium receipts to each period based on the passage of time.

Loss components

The Group establishes a loss component of the LRC for onerous groups of insurance contracts. The loss component determines the amounts of fulfilment cash flows that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue when they occur. When the fulfilment cash flows are incurred, they are allocated between the loss component and the liability for remaining coverage excluding the loss component on a systematic basis.

The systematic basis is determined by the proportion of the loss component relative to the total estimate of the present value of the future cash outflows plus the risk adjustment for non-financial risk at the beginning of each year (or on initial recognition if a group of contracts is initially recognised in the year).

Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items:

- Incurred claims and other insurance service expenses.
- Insurance acquisition cash flows, which the Group has chosen to recognise as expenses as and when they are incurred.
- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

Notes To The Financial Statements

Year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.10 Insurance and reinsurance contracts (cont'd)

Presentation (cont'd)

Net expenses from reinsurance contracts

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Group recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. Under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts covering onerous underlying contracts, the Group establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Group expects to recover from the reinsurance contracts.

Notes To The Financial Statements
Year ended 31 December 2023

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 2022	18,500	278,554	484,275	48,417	83,130	6,732	1,700	686	17,032	16,752	4,008	141	959,927
Additions	–	–	178	12,671	4,184	642	100	532	1,782	365	250	1,981	22,685
Derecognition of right-of-use assets**	–	–	–	(14,824)	–	–	–	–	–	–	–	–	(14,824)
Disposals	–	–	–	–	(105)	–	(17)	(564)	(4)	–	–	–	(690)
Write-off	–	–	–	–	(13,532)	(2,417)	(858)	–	(1,747)	(3,736)	(1,724)	–	(24,014)
Transfer/Reclassification	–	–	–	–	–	–	–	–	–	–	33	(33)	–
Effect of movements in exchange rates	–	(4,371)	(24,128)	(1,867)	(2,590)	(100)	(18)	(8)	(453)	(1,052)	(3)	(23)	(34,613)
At 31 December 2022	18,500	274,183	460,325	44,397	71,087	4,857	907	646	16,610	12,329	2,564	2,066	908,471
At 1 January 2023	18,500	274,183	460,325	44,397	71,087	4,857	907	646	16,610	12,329	2,564	2,066	908,471
Reclassification from investment properties (note 6)	–	18,404	16,296	–	–	–	–	–	–	–	–	–	34,700
Additions	–	–	91	29,412	7,768	616	143	–	2,646	2,212	752	4,035	47,675
Derecognition of right-of-use assets**	–	–	–	(18,375)	–	–	–	–	–	–	–	–	(18,375)
Disposals	–	–	(330)	–	(390)	(2)	–	–	(58)	(8)	–	–	(788)
Write-off	–	–	–	–	(1,441)	(68)	(216)	–	(453)	(41)	–	–	(2,219)
Transfer/Reclassification	–	–	–	–	–	–	–	–	–	614	–	(614)	–
Effect of movements in exchange rates	–	(1,985)	(10,964)	(1,190)	(1,310)	(48)	(8)	(5)	(236)	(556)	(3)	(29)	(16,334)
At 31 December 2023	18,500	290,602	465,418	54,244	75,714	5,355	826	641	18,509	14,550	3,313	5,458	953,130

** Derecognition of the right-of-use assets is as a result of expiry of the lease and early termination of the lease.

Notes To The Financial Statements

Year ended 31 December 2023

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 and impairment losses													
At 1 January 2022	–	28,330	40,538	25,222	40,275	3,350	1,341	396	13,423	7,613	2,077	–	162,565
Depreciation charge for the year*	–	3,727	8,916	11,418	8,680	629	133	71	1,907	1,716	316	–	37,513
Derecognition of right-of-use assets**	–	–	–	(13,577)	–	–	–	–	–	–	–	–	(13,577)
Disposals	–	–	–	–	(105)	–	(17)	(421)	(4)	–	–	–	(547)
Write-off	–	–	–	–	(13,071)	(2,012)	(841)	–	(1,590)	(3,695)	(1,561)	–	(22,770)
Impairment loss	–	153	9,805	–	–	–	–	–	–	–	–	–	9,958
Effect of movements in exchange rates	–	(80)	(837)	(1,060)	(935)	(25)	(15)	(4)	(333)	(454)	–	–	(3,743)
At 31 December 2022	–	32,130	58,422	22,003	34,844	1,942	601	42	13,403	5,180	832	–	169,399
At 1 January 2023	–	32,130	58,422	22,003	34,844	1,942	601	42	13,403	5,180	832	–	169,399
Depreciation charge for the year*	–	3,714	8,572	11,263	7,813	518	105	73	1,961	1,604	278	–	35,901
Derecognition of right-of-use assets**	–	–	–	(15,191)	–	–	–	–	–	–	–	–	(15,191)
Disposals	–	–	(161)	–	(389)	(2)	–	–	(58)	(8)	–	–	(618)
Write-off	–	–	–	–	(1,370)	(58)	(144)	–	(448)	(40)	–	–	(2,060)
Effect of movements in exchange rates	–	(55)	(929)	(550)	(572)	(14)	(6)	(4)	(187)	(287)	–	–	(2,604)
At 31 December 2023	–	35,789	65,904	17,525	40,326	2,386	556	111	14,671	6,449	1,110	–	184,827
Carrying amounts													
At 1 January 2022	18,500	250,224	443,737	23,195	42,855	3,382	359	290	3,609	9,139	1,931	141	797,362
At 31 December 2022	18,500	242,053	401,903	22,394	36,243	2,915	306	604	3,207	7,149	1,732	2,066	739,072
At 31 December 2023	18,500	254,813	399,514	36,719	35,388	2,969	270	530	3,838	8,101	2,203	5,458	768,303

* During the year, depreciation charge of $397,000 (2022: $313,000) was included in 'insurance service expenses' in the consolidated statement of profit or loss.

** Derecognition of the right-of-use assets is as a result of expiry of the lease and early termination of the lease.

Notes To The Financial Statements

Year ended 31 December 2023

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Reclassification from investment properties

During the year, investment properties with carrying value of $34,700,000 (2022: $Nil) (see note 6) was transferred to property, plant and equipment as a portion of commercial spaces were converted into premises occupied by owner.

	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
Company										
Cost										
At 1 January 2022	2,042	3,785	1,084	1,012	586	5,449	1,743	–	52	15,753
Additions	2,534	238	7	83	532	1,248	72	–	1,597	6,311
Derecognition of right-of-use assets	(2,042)	–	–	–	–	–	–	–	–	(2,042)
Disposal	–	(66)	–	–	(442)	(16)	–	–	–	(524)
Write-off	–	(646)	(366)	(757)	–	(918)	(421)	–	–	(3,108)
At 31 December 2022	2,534	3,311	725	338	676	5,763	1,394	–	1,649	16,390
At 1 January 2023	2,534	3,311	725	338	676	5,763	1,394	–	1,649	16,390
Additions	–	172	148	113	–	1,522	394	29	2,261	4,639
Disposal	–	–	–	(9)	–	(2)	–	–	–	(11)
Write-off	–	(203)	(11)	(113)	–	(62)	–	–	–	(389)
Transfer/ Reclassification	–	–	–	–	–	–	614	–	(614)	–
At 31 December 2023	2,534	3,280	862	329	676	7,221	2,402	29	3,296	20,629
Accumulated depreciation										
At 1 January 2022	1,632	2,749	747	849	362	4,217	1,409	–	–	11,965
Depreciation charge for the year	624	354	87	70	63	692	200	–	–	2,090
Derecognition of right-of-use assets	(1,894)	–	–	–	–	–	–	–	–	(1,894)
Disposal	–	(15)	–	–	(306)	(6)	–	–	–	(327)
Write-off	–	(598)	(321)	(737)	–	(783)	(411)	–	–	(2,850)
At 31 December 2022	362	2,490	513	182	119	4,120	1,198	–	–	8,984
At 1 January 2023	362	2,490	513	182	119	4,120	1,198	–	–	8,984
Depreciation charge for the year	398	255	71	50	68	939	258	1	–	2,040
Disposal	–	–	–	(2)	–	(1)	–	–	–	(3)
Write-off	–	(136)	(2)	(41)	–	(56)	–	–	–	(235)
At 31 December 2023	760	2,609	582	189	187	5,002	1,456	1	–	10,786
Carrying amounts										
At 1 January 2022	410	1,036	337	163	224	1,232	334	–	52	3,788
At 31 December 2022	2,172	821	212	156	557	1,643	196	–	1,649	7,406
At 31 December 2023	1,774	671	280	140	489	2,219	946	28	3,296	9,843

Notes To The Financial Statements

Year ended 31 December 2023

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 2023 $'000	Group Carrying amount 2022 $'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	581	607
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	–[1]	174
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	808	844
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	1,058	1,100
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	663	690
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	535	556
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	4,620	4,705
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	166,417	170,638
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	175,023	143,181
A building, located at 25 Tannery Lane, Singapore 347786, held for use as support office and storage centre	3,295.5	Freehold	19,397	19,562
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	16,180	16,489
A hospital building, located at No. 2, Huashan Middle Road, Yubei District, Chongqing, China	105,690.6	40 years commencing from 30/11/2017	119,277**	126,969**
A hospital building, located at No. 200 Yuanzhao Road, Pudong District, Shanghai, China	72,233.3	50 years commencing from 31/10/2015	168,268***	176,941***
			672,827	662,456

* Includes commercial space of 826.2 sq m (2022: 826.2 sq m) classified as investment properties.
^ Includes commercial space of 3,760.0 sq m (2022: 5,322.0 sq m) classified as investment properties.
\# Includes commercial space of 4,981.1 sq m (2022: 4,981.1 sq m) classified as investment properties.
** Includes cost of $28,520,000 (2022: $29,662,000) which the underlying assets had not been put into use.
*** Includes cost of $88,474,000 (2022: $115,030,000) which the underlying assets had not been put into use.
[1] During the year, the property was disposed for a consideration of $518,000. A gain on disposal of $349,000 was recognised.

Notes To The Financial Statements

Year ended 31 December 2023

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

The estimates of recoverable amounts were based on either the fair value of the property, plant and equipment determined by a firm of independent professional valuer or the value in use of the property, plant and equipment determined by management. For the fair value under the market approach, the valuation model analyses estimated amount for which an asset could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. For the fair value under cost approach, it is based on the cost to reproduce or replace under new condition with current market prices for similar assets, with allowance for accrued depreciation arising from the conditions, utility, age, wear and tear, or obsolescence present (physical functional or economics). The recoverable amounts could change significantly as a result of changes in market conditions and the assumptions used in determining the value in use.

Impairment loss

In 2022, the Group carried out a review of the recoverable amount of Raffles Hospital Shanghai and Raffles Hospital Chongqing, having regard to weaker operating performance of the hospitals which has been affected by the outbreak of COVID-19 in China. Raffles Hospital Shanghai and Raffles Hospital Chongqing are assessed as separate CGUs. The recoverable amounts of these two CGUs were estimated using the fair value less costs to sell approach, based on independent valuations undertaken by a professional valuer at the reporting date.

The review led to the recognition of an impairment loss of $5,257,000 and $4,701,000 respectively on Raffles Hospital Shanghai and Raffles Hospital Chongqing. The amounts had been recognised in profit or loss.

During the year, the Group carried out a review of the recoverable amount of Raffles Hospital Shanghai and Raffles Hospital Chongqing due to its continued operating losses. The recoverable amounts of these two CGUs were estimated using fair value less costs to sell approach, based on independent valuations undertaken by a professional valuer at the reporting date. The recoverable amounts of both CGUs were higher than the carrying amounts of the CGUs. No further impairment loss was recognised.

The fair value measurements were categorised as Level 3 on the fair value hierarchy.

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

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Raffles Hospital Shanghai		
Land: market approach	Market price of S$2,881 (2022: S$3,029) per sq m	A significant increase in market prices would result in a significantly higher fair value measurement and vice versa
Building: cost approach (depreciated replacement cost approach)	Adjusted market construction costs of S$1,904 (2022: S$1,994) per sq m	A significant increase in average replacement costs would result in a significantly higher fair value measurement and vice versa
Raffles Hospital Chongqing		
Land: market approach	Market price of S$527 (2022: S$566) per sq m	A significant increase in market prices would result in a significantly higher fair value measurement and vice versa
Building: cost approach (depreciated replacement cost approach)	Adjusted market construction costs of S$1,057 (2022: S$1,054) per sq m	A significant increase in average replacement costs would result in a significantly higher fair value measurement and vice versa

Notes To The Financial Statements

Year ended 31 December 2023

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 2022	26,439	4,672	164	164	16,857	48,296
Additions	–	–	–	–	241	241
Write-off	–	–	–	–	(116)	(116)
Transfer	–	–	–	(164)	164	–
Effects of movement in exchange rate	(1,938)	(375)	–	–	(372)	(2,685)
At 31 December 2022	24,501	4,297	164	–	16,774	45,736
Additions	–	–	–	640	796	1,436
Write-off	–	–	(25)	–	(4)	(29)
Effects of movement in exchange rate	(927)	(172)	–	–	(178)	(1,277)
At 31 December 2023	23,574	4,125	139	640	17,388	45,866
Accumulated amortisation and impairment losses						
At 1 January 2022	8,117	2,262	76	–	6,011	16,466
Amortisation*	–	365	–	–	2,338	2,703
Write-off	–	–	–	–	(107)	(107)
Impairment loss	5,868	1,410	60	–	–	7,338
Effects of movement in exchange rate	(634)	(194)	–	–	(110)	(938)
At 31 December 2022	13,351	3,843	136	–	8,132	25,462
Amortisation*	–	74	–	–	2,272	2,346
Write-off	–	–	(25)	–	(1)	(26)
Effects of movement in exchange rate	(536)	(155)	–	–	(68)	(759)
At 31 December 2023	12,815	3,762	111	–	10,335	27,023
Carrying amounts						
At 1 January 2022	18,322	2,410	88	164	10,846	31,830
At 31 December 2022	11,150	454	28	–	8,642	20,274
At 31 December 2023	10,759	363	28	640	7,053	18,843

* During the year, amortisation charge of $816,000 (2022: $773,000) was included in 'insurance service expenses' in the consolidated statement of profit or loss.

Notes To The Financial Statements
Year ended 31 December 2023

5. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

	Membership rights $'000	Software $'000	Total $'000
Company			
Cost			
At 1 January 2022	93	1,608	1,701
Additions	–	14	14
Write-off	–	(11)	(11)
At 31 December 2022	93	1,611	1,704
Additions	–	303	303
Write-off	–	(3)	(3)
At 31 December 2023	93	1,911	2,004
Accumulated amortisation and impairment losses			
At 1 January 2022	25	801	826
Amortisation	–	275	275
Write-off	–	(2)	(2)
Impairment loss	49	–	49
At 31 December 2022	74	1,074	1,148
Amortisation	–	290	290
Write-off	–	(1)	(1)
At 31 December 2023	74	1,363	1,437
Carrying amounts			
At 1 January 2022	68	807	875
At 31 December 2022	19	537	556
At 31 December 2023	19	548	567

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	
	2023 $'000	2022 $'000
China clinics	7,867	8,211
Cambodia clinic	2,892	2,939
	10,759	11,150

Notes To The Financial Statements

Year ended 31 December 2023

5. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Impairment testing for CGUs containing goodwill (cont'd)

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

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

	Group	
	2023	2022
	%	%
Discount rate	14.7 – 15.5	15.2 – 15.6
Terminal growth rate	2.2 – 3.0	2.0 – 3.0
Revenue growth rate for next five years	3.2 – 5.1	3.0 – 20.7

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	
	2023	2022
	%	%
China clinics	0.97	–
Cambodia clinic	–	6.22

China and Cambodia Clinics

During the year, the recoverable amounts of both CGUs were higher than the carrying amounts of the CGUs. No further impairment loss was recognised.

In 2022, the carrying amount of the China Clinics CGU was determined to be higher than its recoverable amount by $5,868,000 and an impairment loss of $5,868,000 was recognised. The impairment loss was fully allocated to goodwill. Following the impairment loss recognised in the Group's China clinics CGU, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

Notes To The Financial Statements
Year ended 31 December 2023

5. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Source of estimation uncertainty

The cost of intangible assets, other than goodwill, are amortised on a straight-line basis over their useful lives. Management estimates the useful lives of these intangible assets to be between 7 to 13 years. The Group reviews annually the estimated useful lives of intangible assets 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 intangible assets would increase amortisation expense and decrease non-current assets.

6. INVESTMENT PROPERTIES

	Note	Group	
		2023	2022
		$'000	$'000
At 1 January		273,400	274,000
Reclassification to property, plant and equipment	4	(34,700)	–
Changes in fair value		7,400	(600)
At 31 December		246,100	273,400

(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 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) During the year, a portion of commercial spaces were converted into premises occupied by owner. Accordingly, a portion of the investment properties amounting to $34,700,000 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 (2022: 826.2)
Units within Raffles Specialist Centre, located at 585 North Bridge Road, Singapore 188770	99 years commencing from 01/03/1979	3,760.0 (2022: 5,322.0)
Units within Samsung Hub, located at 3 Church Street Singapore 049483	999 years commencing from 25/01/1827	491.0 (2022: 491.0)
Units within Raffles Holland V, located at 118 Holland Avenue, Singapore 278997	99 years commencing from 18/01/1985	4,981.1 (2022: 4,981.1)

Notes To The Financial Statements
Year ended 31 December 2023

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, 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 $246,100,000 (2022: $273,400,000), after taking into consideration the reclassification of certain area for own use, has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 2.4).

(iii) Level 3 fair value

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

		Group	
	Note	**2023**	**2022**
		$'000	**$'000**
At 1 January		273,400	274,000
Reclassification to property, plant and equipment	4	(34,700)	–
Gain/(loss) included in other operating income/expense			
- Changes in fair value		7,400	(600)
At 31 December		246,100	273,400

Notes To The Financial Statements
Year ended 31 December 2023

6. INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value (cont'd)

(iii) Level 3 fair value (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 3.50% to 5.50% (2022: 3.50% to 5.50%) • Discount rates 7.00% (2022: 7.00%) • Terminal yield rates 4.25% (2022: 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 2022	Recognised in profit or loss (note 21)	Exchange differences	At 31 December 2022	Recognised in profit or loss (note 21)	Exchange differences	At 31 December 2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Restated	Restated	Restated	Restated			
Group							
Deferred tax liabilities/(assets)							
Property, plant and equipment	4,347	(245)	–	4,102	331	–	4,433
Right-of-use assets	1,636	763	–	2,399	231	–	2,630
Software	978	(92)	–	886	(146)	–	740
Lease liabilities	(1,665)	(795)	–	(2,460)	(248)	–	(2,708)
Unutilised tax losses	(719)	696	23	–	(1,067)	–	(1,067)
Intangible assets	601	(90)	(45)	466	(79)	(17)	370
Other items	3,349	(3,354)	(54)	(59)	1,193	1	1,135
	8,527	(3,117)	(76)	5,334	215	(16)	5,533

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7. DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

	At 1 January 2022 $'000 Restated	Recognised in profit or loss $'000 Restated	At 31 December 2022 $'000 Restated	Recognised in profit or loss $'000	At 31 December 2023 $'000
Company					
Deferred tax (assets)/liabilities					
Property, plant and equipment	476	254	730	278	1,008
Right-of-use assets	70	299	369	(67)	302
Software	149	(54)	95	1	96
Lease liabilities	(72)	(319)	(391)	81	(310)
Other items	(945)	(250)	(1,195)	(146)	(1,341)
	(322)	(70)	(392)	147	(245)

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 and liabilities are attributable to the following:

	Assets		Liabilities	
	2023 $'000	2022 $'000 Restated	2023 $'000	2022 $'000 Restated
Group				
Property, plant and equipment	–	–	4,433	4,101
Right-of-use assets	–	–	2,630	2,399
Software	–	–	740	886
Lease Liabilities	(2,708)	(2,460)	–	–
Unutilised tax losses	(1,067)	–	–	–
Intangible assets	–	–	370	466
Other items	(5,810)	(5,954)	6,945	5,896
Deferred tax (assets)/liabilities	(9,585)	(8,414)	15,118	13,748
Set off of tax	7,035	5,989	(7,035)	(5,989)
Net deferred tax (assets)/liabilities	(2,550)	(2,425)	8,083	7,759

Notes To The Financial Statements

Year ended 31 December 2023

7. DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

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

	Group	
	2023	2022
	$'000	$'000
Tax losses	234,301	192,317*

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.

* Based on latest tax assessment

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
		Restated		
Trade receivables	58,940	181,983	23,349	132,806
Allowance for doubtful trade receivables	(3,296)	(3,669)	(920)	(1,261)
Net receivables	55,644	178,314	22,429	131,545
Other receivables	19,741	6,204	1,552	250
Deposits	8,969	3,798	73	117
Staff loans	1,006	352	72	29
Amounts due from subsidiaries:				
- trade	–	–	6,531	13,076
- non-trade (see note below)	–	–	15,586	9,552
	85,360	188,668	46,243	154,569
Prepayments	2,658	4,280	1,022	1,443
	88,018	192,948	47,265	156,012
Non-current	7,737	2,274	5,383	4,657
Current	80,281	190,674	41,882	151,355
	88,018	192,948	47,265	156,012

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.

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Year ended 31 December 2023

9. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Fixed deposits	274,156	169,968	189,059	95,357
Cash at bank and in hand *	69,442	83,159	3,939	25,727
Cash and cash equivalents in the statements of financial position	343,598	253,127	192,998	121,084
Bank balances deposited in an escrow account	(1,055)	(1,073)	–	–
Cash and cash equivalents in the consolidated statement of cash flows	342,543	252,054	192,998	121,084

* Includes interest-bearing cash deposit

The weighted average effective interest rates per annum relating to cash and cash equivalents, at the reporting date for the Group and Company are 3.73% (2022: 3.49%) and 3.69% (2022: 3.19%) respectively. Interest rates reprice at intervals of one week to three months (2022: one month to three months).

10. CAPITAL AND RESERVES

Share capital

	2023		2022	
	No. of shares		No. of shares	
	'000	$'000	'000	$'000
Company				
Fully paid ordinary shares, with no par value:				
At 1 January	1,877,272	432,379	1,870,726	426,346
Issue of shares under share option scheme	6,926	7,440	6,546	6,033
At 31 December	1,884,198	439,819	1,877,272	432,379

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 regards 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.

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Year ended 31 December 2023

10. CAPITAL AND RESERVES (CONT'D)

Ordinary shares (cont'd)

Pursuant to the option plans i.e. RMG ESOS 2010 and RMG ESOS 2020, a total of 6,926,000 (2022: 6,546,000) new fully-paid ordinary shares were issued by the Company as follows:

Date of Grant	Exercise price*	No. of Shares	
	$	2023	2022
02/04/2012	0.78	–	3,085,000
01/04/2013	1.09	4,240,000	1,568,000
01/04/2014	1.07	542,000	966,000
01/04/2015	1.31	250,000	15,000
03/04/2017	1.42	1,000	–
03/09/2018	1.09	937,000	294,000
01/07/2019	1.04	494,000	190,000
05/10/2020	0.81	462,000	428,000
		6,926,000	6,546,000

* 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	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
		Restated		
Translation reserve	(22,339)	(13,018)	–	–
Equity compensation reserve	38,172	35,758	38,172	35,758
Revaluation reserve	16,367	16,367	–	–
Reserve for own share	(31,483)	(26,894)	(31,483)	(26,894)
Other reserve	(5,091)	(5,018)	(142)	(323)
Accumulated profits	592,293	572,826	587,276	553,591
	587,919	580,021	593,823	562,132

Notes To The Financial Statements

Year ended 31 December 2023

10. CAPITAL AND RESERVES (CONT'D)

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 5,400,000 (2022: 20,863,100) of its own shares during the year. The treasury shares held by the Company of 27,187,750 as at 31 December 2023 (31 December 2022: 22,725,300) represent 1.46% (2022: 1.23%) of the total number of issued shares (excluding treasury shares). The Company also utilised 937,550 (2022: 574,700) treasury shares pursuant to the RMG PSP 2020 during the financial year.

Other reserve

Other reserve relates to present value of the exercise price of written put option arising from the call and put options entered with the non-controlling shareholders (see note 15), the difference of the net recognised amount of the identifiable assets acquired and liabilities assumed over fair value of the consideration on the acquisition of the non-controlling interests and surplus/deficit arising on the reissue of treasury shares.

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

Notes To The Financial Statements

Year ended 31 December 2023

11. SHARE BASED PAYMENT (CONT'D)

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

(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.

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

Notes To The Financial Statements

Year ended 31 December 2023

11. SHARE BASED PAYMENT (CONT'D)

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

(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 2023 $	No. of options 2023 '000	Weighted average exercise price 2022 $	No. of options 2022 '000
Outstanding at 1 January	1.216	76,455	1.173	75,145
Granted during the year	1.260	9,650	1.370	8,700
Forfeited/expired during the year	1.093	(316)	1.257	(844)
Exercised during the year	1.074	(6,926)	0.922	(6,546)
Outstanding at 31 December	1.235	78,863	1.216	76,455
Exercisable at 31 December	1.225	55,187	1.223	54,130

Options under RMG ESOS 2010 and RMG ESOS 2020 exercised in 2023 resulted in 6,926,000 (2022: 6,546,000) ordinary shares being issued at weighted average exercise price of $1.074 (2022: $0.922) each.

In 2023, 316,000 (2022: 844,000) options under RMG ESOS 2010 and RMG ESOS 2020 were forfeited at weighted average exercise price of $1.093 (2022: $1.257) each.

Options were exercised on a regular basis throughout the year. The weighted average share price during the year was $1.311 (2022: $1.25) per share.

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Year ended 31 December 2023

11. SHARE BASED PAYMENT (CONT'D)

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

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 2023	Options outstanding 2022
		$	'000	'000
01/04/2013	31/03/2023	1.09	–	4,407
01/04/2014	31/03/2024	1.07	5,171	5,842
01/04/2015	31/03/2025	1.31	12,136	12,386
01/04/2016	31/03/2026	1.50	9,420	9,420
03/04/2017	02/04/2027	1.42	4,326	4,327
03/09/2018	02/09/2023	1.09	–	725
03/09/2018	02/09/2028	1.09	6,154	6,366
01/07/2019	30/06/2024	1.04	775	825
01/07/2019	30/06/2029	1.04	7,679	8,123
01/07/2019	30/06/2024	1.08	100	100
05/10/2020	04/10/2025	0.81	1,425	1,525
05/10/2020	04/10/2030	0.81	6,492	6,854
01/09/2021	31/08/2026	1.40	1,610	1,610
01/09/2021	31/08/2031	1.40	5,245	5,245
01/09/2022	31/08/2027	1.37	1,350	1,350
01/09/2022	31/08/2032	1.37	7,350	7,350
04/09/2023	03/09/2028	1.26	1,600	–
04/09/2023	03/09/2033	1.26	8,030	–
			78,863	76,455

* 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.

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Year ended 31 December 2023

11. SHARE BASED PAYMENT (CONT'D)

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

	Group	
Date of grant of options	**04/09/2023**	**01/09/2022**
Fair value of share options and assumptions		
Fair value at measurement date	$0.225 - $0.290	$0.289 - $0.376
Share price	$1.25	$1.43
Exercise price	$1.26	$1.37
Expected volatility	22.41%	25.85%
Expected option life	4.5 – 8.8 years	3.8 – 8.5 years
Expected dividend yield	2.30%	2.07%
Risk-free interest rate	3.09%	2.22%

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

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

Raffles Medical Group (2020) Performance Share Plan

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

Information regarding the share plan is as follows:

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

(a) in relation to performance related awards, shares which are subject to that award shall only be released to the participants at the end of the relevant vesting period or on the relevant vesting date, subject to the Committee having determined that the performance conditions have been satisfied at the end of the relevant performance period;

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

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

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11. SHARE BASED PAYMENT (CONT'D)

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

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

Date of grant of awards	Share Awards outstanding
05/10/2020	4,700
01/09/2021	379,100
01/09/2022	925,900
04/09/2023	826,700
	2,136,400

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	**04/09/2023**	**01/09/2022**
Fair value at date of grant	$1.25	$1.43

12. LOANS AND BORROWINGS

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Non-current liabilities				
Unsecured bank loans	54,645	63,376	10,000	10,000
Current liabilities				
Unsecured bank loans	16,016	9,667	11,356	9,667
Total loans and borrowings	70,661	73,043	21,356	19,667

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

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12. LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

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

				2023		2022	
	Currency	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
		%		**$'000**	**$'000**	**$'000**	**$'000**
Group							
Unsecured bank loan	S$	0.85% + SORA	2026	10,000	10,000	–	–
Unsecured bank loan	CNY	LPR – 0.36%	2026	49,305	49,305	–	–
Unsecured bank loan	HK$	6.06%	2024	9,998	9,998	–	–
Unsecured bank loan	JPY	0.30%	2024	1,358	1,358	–	–
Unsecured bank loan	S$	0.85% + SORA	2026	–	–	10,000	10,000
Unsecured bank loan	CNY	LPR – 0.36%	2026	–	–	53,376	53,376
Unsecured bank loan	HK$	4.87%	2023	–	–	8,187	8,187
Unsecured bank loan	JPY	0.30%	2023	–	–	1,480	1,480
Total interest-bearing liabilities				70,661	70,661	73,043	73,043
Company							
Unsecured bank loan	S$	0.85% + SORA	2026	10,000	10,000	–	–
Unsecured bank loan	HK$	6.06%	2024	9,998	9,998	–	–
Unsecured bank loan	JPY	0.30%	2024	1,358	1,358	–	–
Unsecured bank loan	S$	0.85% + SORA	2026	–	–	10,000	10,000
Unsecured bank loan	HK$	4.87%	2023	–	–	8,187	8,187
Unsecured bank loan	JPY	0.30%	2023	–	–	1,480	1,480
Total interest-bearing liabilities				21,356	21,356	19,667	19,667

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Year ended 31 December 2023

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 2023	73,043	33,036	23,100	129,179
Changes from financing cash flows				
Proceeds from bank loans	110,940	–	–	110,940
Repayment of bank loans	(110,861)	–	–	(110,861)
Repayment of loan due to subsidiary's non-controlling interest	–	(18)	–	(18)
Payment of lease liabilities	–	–	(11,526)	(11,526)
Interest paid	(2,511)	(1,463)	–	(3,974)
Lease interest paid	–	–	(1,143)	(1,143)
Total changes from financing cash flows	(2,432)	(1,481)	(12,669)	(16,582)
The effect of changes in foreign exchange rates	(2,998)	(1,451)	8	(4,441)
Other changes				
New leases	–	–	29,412	29,412
Lease derecognition	–	–	(3,232)	(3,232)
Interest expense*	3,048	1,516	1,143	5,707
Total other changes	3,048	1,516	27,323	31,887
Balance as at 31 December 2023	70,661	31,620	37,762	140,043

Notes To The Financial Statements

Year ended 31 December 2023

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

* During the year, interest expense of $105,000 (2022: $31,000) was included in 'insurance service expenses' in the consolidated statement of profit or loss.

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Year ended 31 December 2023

13. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
		Restated		
Trade payables	35,240	41,372	10,081	8,721
Accrued operating expenses	103,803	143,726	25,411	51,704
Amounts due to subsidiaries:				
- trade	–	–	540	2,246
- non-trade	–	–	29,357	25,586
Loans from subsidiary's non-controlling interest	31,620	33,036	–	–
Deferred income	2,208	1,575	431	422
Other long term employee benefits – bonus plan	6,778	6,872	4,478	3,441
Deposits received	8,970	5,774	70	55
Other payables	36,618	32,886	5,766	6,201
	225,237	265,241	76,134	98,376
Non-current	14,553	56,478	8,006	21,842
Current	210,684	208,763	68,128	76,534
	225,237	265,241	76,134	98,376

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

The loans from subsidiary's non-controlling interest included loan of $1,720,000 (2022: $1,900,000) which is unsecured, bears interest at 3% (2022: 3%) per annum and is repayable on demand, and loan of $29,849,000 (2022: $31,136,000) is unsecured, bears interest at 4.75% (2022: 4.75%) per annum and is repayable within three years at the discretion of the Group.

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

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

Notes To The Financial Statements

Year ended 31 December 2023

14. LEASE LIABILITIES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Non-current				
One to two years	8,238	7,279	515	497
Two to three years	6,116	2,723	535	515
Three to four years	5,117	1,353	275	535
Four to five years	4,513	1,048	–	275
More than five years	3,729	1,038	–	–
	27,713	13,441	1,325	1,822
Current				
Less than one year	10,049	9,659	497	479
	37,762	23,100	1,822	2,301

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

	2023	2022
	$'000	$'000
Interest on lease liabilities	1,143	540
Expenses relating to short-term leases	452	1,245
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	133	207

Notes To The Financial Statements

Year ended 31 December 2023

14. LEASE LIABILITIES (CONT'D)

Amounts recognised in consolidated statement of cash flows

	2023 $'000	2022 $'000
Total cash outflow for leases	(12,669)	(12,705)

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The Group expects to make use of all extension options in the lease contracts, which typically vary between 1 and 3 years.

Leases as lessor

The Group leases out its investment property consisting of its owned commercial properties (see note 6). All leases are classified as operating leases from a lessor perspective. Each of the leases contains an initial non-cancellable period of 1 to 5 years, with fixed annual rents. Subsequent renewals are negotiated with the lessee and historically the average renewal period ranges from 1 to 5 years.

The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income from investment property recognised by the Group during 2023 was $6,908,000 (2022: $7,108,000).

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

	Group	
	2023 $'000	2022 $'000
Operating leases under SFRS(I) 16		
Less than one year	6,045	5,470
One to two years	4,518	4,408
Two to three years	2,585	2,866
Three to four years	156	1,259
Four to five years	–	126
Total	13,304	14,129

Notes To The Financial Statements
Year ended 31 December 2023

15. OTHER FINANCIAL LIABILITIES

	Group	
	2023	2022
	$'000	$'000
Present value of the exercise price of written put options	2,700	2,744

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 AND REINSURANCE CONTRACTS

		Group	
		2023	2022
	Note	$'000	$'000
			Restated
Insurance contracts			
Insurance contract liabilities	(A)	91,435	72,517
Insurance contract assets	(A)	(2,620)	(954)
Reinsurance contracts			
Reinsurance contract assets	(B)	(45,733)	(36,496)
Reinsurance contract liabilities	(B)	21,365	10,009

The carrying amounts of insurance and reinsurance contracts are expected to be settled within 12 months of the reporting date.

Movements in insurance and reinsurance contract balances

The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts changed during the year as a result of cash flows and amounts recognised in the consolidated statement of profit or loss and OCI.

For each segment, the Group presents a table that separately analyses movements in the liabilities for remaining coverage and movements in the liabilities for incurred claims and reconciles these movements to the line items in the consolidated statement of profit or loss.

Notes To The Financial Statements
Year ended 31 December 2023

16. INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

Non-life

(A) Insurance contracts*

Analysis by remaining coverage and incurred claims

	2023				
	Assets and Liabilities for insurance claims (Contracts under PAA)				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Liabilities for remaining coverage excluding loss component $'000	Loss component $'000	Estimates of present value of future cash flows $'000	Risk adjustment for non-financial risk $'000	Total $'000
Opening assets	(954)	–	–	–	(954)
Opening liabilities	44,772	3,344	22,362	2,039	72,517
Net opening balance	43,818	3,344	22,362	2,039	71,563
Changes in the consolidated statement of profit or loss					
Insurance revenue	(139,681)	–	–	–	(139,681)
Insurance service expenses					
Incurred claims and other insurance service expenses	–	–	114,602	520	115,122
Insurance acquisition expenses	13,003	–	3,832	–	16,835
Losses and reversals of losses on onerous contracts	–	1,402	–	–	1,402
	13,003	1,402	118,434	520	133,359
Insurance service result	(126,678)	1,402	118,434	520	(6,322)
Total changes in the consolidated statement of profit or loss	(126,678)	1,402	118,434	520	(6,322)
Cash flows					
Premiums received	150,228	–	–	–	150,228
Claims and other insurance service expenses paid, including investment components	–	–	(110,044)	–	(110,044)
Insurance acquisition cash flows	(12,778)	–	(3,832)	–	(16,610)
Total cash flows	137,450	–	(113,876)	–	23,574
Net movement	10,772	1,402	4,558	520	17,252
Closing assets	(2,620)	–	–	–	(2,620)
Closing liabilities	57,210	4,746	26,920	2,559	91,435
Net closing balance	54,590	4,746	26,920	2,559	88,815

* All insurance contracts are measured under PAA

Notes To The Financial Statements
Year ended 31 December 2023

16. INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

Non-life (cont'd)

(A) Insurance contracts* (cont'd)

Analysis by remaining coverage and incurred claims (cont'd)

	2022				
	Assets and Liabilities for insurance claims (Contracts under PAA)				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Liabilities for remaining coverage excluding loss component $'000	Loss component $'000	Estimates of present value of future cash flows $'000	Risk adjustment for non-financial risk $'000	Total $'000
Opening assets	(1,757)	–	–	–	(1,757)
Opening liabilities	39,947	2,695	20,134	1,951	64,727
Net opening balance	38,190	2,695	20,134	1,951	62,970
Changes in the consolidated statement of profit or loss					
Insurance revenue	(111,400)	–	–	–	(111,400)
Insurance service expenses					
Incurred claims and other insurance service expenses	–	–	76,550	88	76,638
Insurance acquisition expenses	10,222	–	3,502	–	13,724
Losses and reversals of losses on onerous contracts	–	649	–	–	649
	10,222	649	80,052	88	91,011
Insurance service result	(101,178)	649	80,052	88	(20,389)
Total changes in the consolidated statement of profit or loss	(101,178)	649	80,052	88	(20,389)
Cash flows					
Premiums received	116,656	–	–	–	116,656
Claims and other insurance service expenses paid, including investment components	–	–	(74,322)	–	(74,322)
Insurance acquisition cash flows	(9,850)	–	(3,502)	–	(13,352)
Total cash flows	106,806	–	(77,824)	–	28,982
Net movement	5,628	649	2,228	88	8,593
Closing assets	(954)	–	–	–	(954)
Closing liabilities	44,772	3,344	22,362	2,039	72,517
Net closing balance	43,818	3,344	22,362	2,039	71,563

* All insurance contracts are measured under PAA

Notes To The Financial Statements

Year ended 31 December 2023

16. INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

Non-life (cont'd)

(B) Reinsurance contracts

Analysis by remaining coverage and incurred claims

	2023				
	Assets and Liabilities for reinsurance claims (Contracts under PAA)				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Liabilities for remaining coverage	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
	$	$	$	$	$
Opening assets	29,373	–	6,483	640	36,496
Opening liabilities	–	–	(10,009)	–	(10,009)
Net opening balance	29,373	–	(3,526)	640	26,487
Changes in the consolidated statement of profit or loss					
Allocation of reinsurance premium paid	65,808	–	–	–	65,808
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	(9,825)	–	(52,789)	177	(62,437)
	(9,825)	–	(52,789)	177	(62,437)
Net expenses from reinsurance contracts	55,983	–	(52,789)	177	3,371
Total changes in the consolidated statement of profit or loss	55,983	–	(52,789)	177	3,371
Cash flows					
Reinsurance contracts premium paid	(59,995)	–	–	–	(59,995)
Amounts received	9,641	–	44,864	–	54,505
Total cash flows	(50,354)	–	44,864	–	(5,490)
Net movement	5,629	–	(7,925)	177	(2,119)
Closing assets	35,002	–	9,914	817	45,733
Closing liabilities	–	–	(21,365)	–	(21,365)
Net closing balance	35,002	–	(11,451)	817	24,368

Notes To The Financial Statements
Year ended 31 December 2023

16. INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

Non-life (cont'd)

(B) Reinsurance contracts (cont'd)

Analysis by remaining coverage and incurred claims (cont'd)

	2022				
	Assets and Liabilities for reinsurance claims (Contracts under PAA)				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Liabilities for remaining coverage	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
	$	$	$	$	$
Opening assets	27,982	–	6,318	667	34,967
Opening liabilities	–	–	(11,722)	–	(11,722)
Net opening balance	27,982	–	(5,404)	667	23,245
Changes in the consolidated statement of profit or loss					
Allocation of reinsurance premium paid	55,791	–	–	–	55,791
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	(8,702)	–	(34,158)	(27)	(42,887)
	(8,702)	–	(34,158)	(27)	(42,887)
Net expenses from reinsurance contracts	47,089	–	(34,158)	(27)	12,904
Total changes in the consolidated statement of profit or loss	47,089	–	(34,158)	(27)	12,904
Cash flows					
Reinsurance contracts premium paid	(54,254)	–	–	–	(54,254)
Amounts received	8,556	–	36,036	–	44,592
Total cash flows	(45,698)	–	36,036	–	(9,662)
Net movement	1,391	–	1,878	(27)	3,242
Closing assets	29,373	–	6,483	640	36,496
Closing liabilities	–	–	(10,009)	–	(10,009)
Net closing balance	29,373	–	(3,526)	640	26,487

Notes To The Financial Statements

Year ended 31 December 2023

16. INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

Insurance revenue

	Note	Group 2023 $'000	Group 2022 $'000 Restated
Total insurance revenue comprising contracts measured under the PAA	18	139,681	111,400

The Group writes mainly short-term group and individual health insurance contracts. Although the Group provides death benefits and long-term health insurance, those policies do not form a significant part of the Group's overall business and they have passed the eligibility test to elect to be measured under the PAA.

Significant judgements and estimates

Fulfilment cash flows

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risk are not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

The Group's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value.

Estimates of future cash flows

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

When estimating future cash flows, the Group takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted. The Group derives cost inflation assumptions from the difference between the yields on nominal and inflation-linked government bonds.

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

Notes To The Financial Statements

Year ended 31 December 2023

16. INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

Significant judgements and estimates (cont'd)

Estimates of future cash flows (cont'd)

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include:

- claims handling, maintenance and administration costs; and

- recurring commissions payable on instalment premiums receivable within the contract boundary.

Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local equity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. The Group generally allocates insurance acquisition cash flows to groups of contracts based on the total premiums for each group, claims handling costs based on the number of claims for each group, and maintenance and administration costs based on the number of in-force contracts within each group. Other costs are recognised in profit or loss as they are incurred.

Contract boundaries

The assessment of the contract boundary, which defines which future cash flows are included in the measurement of a contract, requires judgement and consideration of the Group's substantive rights and obligations under the contract.

Insurance contracts	Some individual medical insurance contracts issued by the Group have annual terms that are guaranteed to be renewable each year. The Group determines that the cash flows related to future renewals (i.e. the guaranteed renewable terms) of these contracts are outside the contract boundary. This is because the premium charged for each year reflects the Group's expectation of its exposure risk for that year and, on renewal, the Group can reprice the premium to reflect the reassessed risks for the next year based on claims experience and expectations for the respective portfolio. Any renewal of the contract is treated as a new contract and is recognised, separately from the initial contract, when the recognition criteria are met.
Reinsurance contracts	Each of the Group's quota share reinsurance contracts has an annual term, covers underlying contracts issued within the term on a risk-attaching basis and provides unilateral rights to both the Group and the reinsurer to terminate the cession of new business with a notice period. On initial recognition, the cash flows within the reinsurance contract boundary are determined to be those arising from underlying contracts that the Group expects to issue and cede under the reinsurance contract within the notice period. Subsequently, expected cash flows beyond the end of this initial notice period are considered cash flows of new reinsurance contracts and are recognised, separately from the initial contract, as they fall within the rolling notice period. Each of the Group's excess of loss and stop loss reinsurance contracts has an annual term and covers claims from underlying contracts incurred within the year (i.e. loss-occurring). Cash flows within the contract boundary are those arising from underlying claims incurred during the year.

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16. INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

Significant judgements and estimates (cont'd)

Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the individual issuing entity would require for bearing non-financial risk, separately for the non-life and other contracts, and are allocated to groups of contracts based on an analysis of the risk profiles of the groups. Risk adjustments for non-financial risk reflect the diversification benefits from contracts issued by the entity, in a way that is consistent with the compensation that it would require and that reflects its degree of risk aversion, and the effects of the diversification benefits are determined using a correlation matrix technique.

The risk adjustments for non-financial risk are determined using a confidence level technique. In applying the confidence level technique, the Group estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows.

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.

Notes To The Financial Statements

Year ended 31 December 2023

17. FINANCIAL INSTRUMENTS (CONT'D)

(a) Risk management objectives and policies for mitigating insurance risk

In the normal course of its business activities, the Group is exposed to a variety of insurance risks. These include underwriting and concentration risks. The management of these risks is discussed below:

Underwriting policy

The Group has developed robust underwriting guidelines for accepting insurance risks, including selection and approval of risks to be insured, benefit limits and pricing authorisation limits. A standard pricing template is adopted to ensure adequate but competitive pricing for customised group insurance products.

For medical underwriting, the Group has in place underwriting guidelines and is also guided by the Group's Clinical Director. Appropriate medical loadings and exclusions are imposed where necessary. The Group may also seek reinsurers' involvement on the underwriting of special risks.

Sensitivity analysis

The table below analyses how the LRC, LIC, profit or loss and equity would have increased /(decreased) if changes in the risk adjustments for non-financial risk had occurred at the reporting date. This analysis presents the sensitivities before and after risk mitigation by reinsurance and assumes that all other variables remain constant.

31 December 2023	Liability for Remaining Coverage		Liability for Incurred Claims		Profit or Loss		Equity	
	Gross $'000	Net $'000	Gross $'000	Net $'000	Gross $'000	Net $'000	Gross $'000	Net $'000
Risk Adjustment for non-financial risk (+5%)	792	775	1,044	598	1,524	1,139	(1,524)	(1,139)
Risk Adjustment for non-financial risk (-5%)	(792)	(775)	(1,044)	(598)	(1,524)	(1,139)	1,524	1,139

31 December 2022	Liability for Remaining Coverage		Liability for Incurred Claims		Profit or Loss		Equity	
	Gross $'000	Net $'000	Gross $'000	Net $'000	Gross $'000	Net $'000	Gross $'000	Net $'000
Risk Adjustment for non-financial risk (+5%)	389	386	744	420	940	669	(940)	(669)
Risk Adjustment for non-financial risk (-5%)	(387)	(386)	(744)	(420)	(939)	(669)	939	669

Notes To The Financial Statements

Year ended 31 December 2023

17. FINANCIAL INSTRUMENTS (CONT'D)

(a) Risk management objectives and policies for mitigating insurance risk (cont'd)

Sensitivity analysis (cont'd)

Changes in the risk adjustments for non-financial risk affect the LRC, LIC, profit or loss and equity as follows. The effects on profit or loss and equity are presented net of income tax effect.

a.	**Liability for Remaining Coverage**	- Changes in fulfilment cash flows for the liabilities relating to loss components
b.	**Liability for Incurred Claims**	- Changes in fulfilment cash flows for the liabilities for incurred claims
c.	**Profit or loss**	- Changes in fulfilment cash flows relating to change in insurance contract liabilities/reinsurance contract assets
d.	**Equity**	- The effect on profit or loss under (c)

Claims management policy

The Group has in place guidelines and policies for the processing, reviewing and approving of claims. Large claims are further reviewed by the Group's Clinical Director to ensure reasonableness of claims amount.

Reinsurance

To mitigate the insurance risk associated with the different insurance products, the Company has in place outward reinsurance with various reinsurers rated from A+ to AA-. The Company determines the extent of reinsurance to be adopted for each class of business based on its risk appetite for residual insurance risks.

At the reporting date, the key outward reinsurance arrangements of the Group included the followings:

Insurance Product	Outward Reinsurance Terms
Medical Insurance	• Excess of loss treaty covering the Group for any portion of each claim due to catastrophic events that exceeds a pre-determined amount, subject to an overall limit per life
Group Personal Accident	• Quota share and surplus treaties with retention sum of a pre-determined amount and full outward reinsurance on any portion of claims exceeding the retention amount, subject to an overall limit per life • Excess of loss treaty covering the Group for any portion of each claim due to catastrophic events that exceeds a pre-determined amount
Group Term Life	• Quota share and surplus treaties with retention sum of a pre-determined amount and full outward reinsurance on any portion of claims exceeding the retention amount, subject to an overall limit per life • Excess of loss treaty covering the Group for any portion of each claim due to catastrophic events that exceeds a pre-determined amount
Group Disability Income	• Quota share treaty with retention sum of a pre-determined amount subject to an overall limit per life
International Medical Insurance	• Proportionate treaty with stop loss cover for claims exceeding 100% of retained premiums
Integrated Shield Plans	• Excess of loss treaty covering the Group for any portion of claims per life that exceeds a pre-determined amount, subject to an overall limit per life

Notes To The Financial Statements

Year ended 31 December 2023

17. FINANCIAL INSTRUMENTS (CONT'D)

(a) Risk management objectives and policies for mitigating insurance risk (cont'd)

Concentration of insurance risks

The Group writes mainly medical insurance business covering corporate clients and individuals in Singapore. However, the Group undertakes to mitigate this risk through having a diversified client base comprising of various demographics mix and industries such as banking, finance services, telecommunications, manufacturing, information technology and property.

The Group does not write any low-frequency high-severity risks such as earthquake or terrorism coverage. Medical service providers that are on Group's panel are required to carry professional indemnity insurance hence potential litigation risks are greatly reduced and mitigated.

(b) Risk management objectives and policies for mitigating financial risk

In particular, the financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. Hence, the key investment objective is for insurance fund assets to be invested with due regard to insurance and related operating liabilities, taking into account their nature, i.e. interest rate, duration and liquidity. Priority is placed on ensuring the ability to meet both policyholders' claim liabilities and operating expenses. Shareholders fund assets are invested with the objective of having a reasonable return on equity and an increase in net asset value, taking into account the profitability and solvency requirements of the insurance business as well as other cash flow requirements. Separate portfolios of investment assets are maintained for the insurance fund and the shareholders fund.

The Group's Investment Committee is responsible for managing the Group's investing activities and related risks. The Investment Committee is responsible for formulating the Group's investment strategy, policies and procedures for the investment function. This includes the establishment of investment dealing and authorisation limits at various levels as well as policies to manage credit risk, equity market risk, currency risk and interest rate risk, where applicable. Investment activities are monitored through periodic reporting to ensure that investment activities are within guidelines established.

Credit risk

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

The carrying amount of financial assets represents the Group and the Company's respective maximum exposure to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of their financial assets.

Trade and other receivables

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

The Group's primary exposure to credit risk arises through its cash and cash equivalents, trade and other receivables. As at 31 December 2023, 17.1% (2022: 13.3%) of the total trade receivables was due from the Group's largest customer. The Group does not require collateral in respect of trade receivables. The Group does not have trade receivables which no loss allowance is recognised because of collateral.

Notes To The Financial Statements

Year ended 31 December 2023

17. FINANCIAL INSTRUMENTS (CONT'D)

(b) Risk management objectives and policies for mitigating financial risk (cont'd)

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

Trade receivables

Group and Company

The Group and Company applied the simplified approach in SFRS(I) 9 to measure the loss allowance of trade receivables from individual and corporate customers at lifetime ECL based on allowance matrix, which comprise a very large number of small balances. As the Group and Company's past default experience do not show significantly different loss patterns for different customer segments, the allowance matrix is not further distinguished between the different customer bases.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Credit impaired
	%	$'000	$'000	
Group				
31 December 2023				
No credit terms	–	8,057	–	No
Not past due	1.57	26,115	411	No
Past due 0 – 30 days	1.12	10,476	117	No
Past due 31 – 180 days	3.97	9,620	382	No
Past due 181 – 365 days	13.14	2,131	280	Yes
More than one year	82.88	2,541	2,106	Yes
		58,940	3,296	
31 December 2022				
No credit terms	–	11,929	–	No
Not past due	0.32	144,172	463	No
Past due 0 – 30 days	1.86	11,199	208	No
Past due 31 – 180 days	7.23	11,058	799	No
Past due 181 – 365 days	26.41	1,488	393	Yes
More than one year	84.46	2,137	1,806	Yes
		181,983	3,669	

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17. FINANCIAL INSTRUMENTS (CONT'D)

(b) *Risk management objectives and policies for mitigating financial risk (cont'd)*

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

Trade receivables (cont'd)

	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Credit impaired
	%	$'000	$'000	
Company				
31 December 2023				
Not past due	0.46	16,213	74	No
Past due 0 – 30 days	1.09	3,296	36	No
Past due 31 – 180 days	7.68	2,370	182	No
Past due 181 – 365 days	26.30	692	182	Yes
More than one year	57.33	778	446	Yes
		23,349	920	
31 December 2022				
Not past due	0.05	123,764	60	No
Past due 0 – 30 days	2.03	3,204	65	No
Past due 31 – 180 days	10.39	4,582	476	No
Past due 181 – 365 days	38.89	612	238	Yes
More than one year	65.53	644	422	Yes
		132,806	1,261	

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.

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Year ended 31 December 2023

17. FINANCIAL INSTRUMENTS (CONT'D)

(b) Risk management objectives and policies for mitigating financial risk (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 2022	4,270	1,382
Impairment loss recognised	1,015	500
Impairment loss utilised	(1,568)	(621)
Exchange differences	(48)	–
At 31 December 2022	3,669	1,261
At 1 January 2023	3,669	1,261
Impairment loss recognised	417	(182)
Impairment loss utilised	(762)	(159)
Exchange differences	(28)	–
At 31 December 2023	3,296	920

Amounts due from subsidiaries (Company) (note 8)

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.

Other receivables (Group and Company) (including other receivables, deposits and staff loans) (note 8)

Impairment on the other receivables 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 other receivables was negligible.

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 BBB- to AA-, based on rating agency Standard & Poor's. The amount of the allowance on cash and cash equivalents was negligible.

Notes To The Financial Statements

Year ended 31 December 2023

17. FINANCIAL INSTRUMENTS (CONT'D)

(b) Risk management objectives and policies for mitigating financial risk (cont'd)

Liquidity risk

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

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

The Group has adequate undrawn unsecured credit facilities and a S$1,000,000,000 Multicurrency Medium Term Notes Programme to finance and support its future operating activities and the Group's contractual commitments.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities. The amounts are gross and undiscounted, include contractual interest payments and exclude 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 2023					
Non-derivative financial liabilities					
Unsecured bank loans	70,661	(76,092)	(18,378)	(57,714)	–
Other financial liabilities	2,700	(2,700)	(2,700)	–	–
Trade and other payables*	216,251	(217,722)	(209,947)	(7,775)	–
Lease liabilities	37,762	(41,792)	(11,271)	(26,684)	(3,837)
	327,374	(338,306)	(242,296)	(92,173)	(3,837)
31 December 2022					
Non-derivative financial liabilities					
Unsecured bank loans	73,043	(80,955)	(12,086)	(68,869)	–
Other financial liabilities	2,744	(2,744)	(2,744)	–	–
Trade and other payables*	256,794	(258,330)	(208,724)	(49,606)	–
Lease liabilities	23,100	(24,307)	(10,195)	(13,059)	(1,053)
	355,681	(366,336)	(233,749)	(131,534)	(1,053)

* Excludes deferred income and other long term employee benefits

Notes To The Financial Statements

Year ended 31 December 2023

17. FINANCIAL INSTRUMENTS (CONT'D)

(b) Risk management objectives and policies for mitigating financial risk (cont'd)

Liquidity risk (cont'd)

Exposure to liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Between 1 and 5 years $'000
Company				
31 December 2023				
Non-derivative financial liabilities				
Unsecured bank loans	21,356	(22,258)	(11,776)	(10,482)
Trade and other payables*	71,225	(71,225)	(67,697)	(3,528)
Lease liabilities	1,822	(1,938)	(554)	(1,384)
	94,403	(95,421)	(80,027)	(15,394)
31 December 2022				
Non-derivative financial liabilities				
Unsecured bank loans	19,667	(20,579)	(9,989)	(10,590)
Trade and other payables*	94,513	(94,513)	(76,112)	(18,401)
Lease liabilities	2,301	(2,492)	(554)	(1,938)
	116,481	(117,584)	(86,655)	(30,929)

* Excludes deferred income and other long term employee benefits

Notes To The Financial Statements

Year ended 31 December 2023

17. FINANCIAL INSTRUMENTS (CONT'D)

(b) Risk management objectives and policies for mitigating financial risk (cont'd)

Market risk

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

Currency risk

The Group is exposed to currency risk on borrowings and inter-company balances that are denominated in currencies other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are the Euro (EUR), Hong Kong dollar (HK$), US dollar (US$), Japanese Yen (JPY), Singapore dollar (S$), Chinese Yuan (CNY) and British Pound Sterling (GBP).

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

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 2023							
Cash and cash equivalents	–	–	2,328	–	11	10	–
Trade and other receivables	–	–	–	–	–	310	–
Trade and other payables	(643)	–	(5,064)	–	–	(232)	(191)
Amount owning (to)/from subsidiaries (net)	–	–	(17,833)	1,767	298	1,258	–
Loans and borrowings	–	(9,998)	–	(1,358)	–	–	–
Net exposure	(643)	(9,998)	(20,569)	409	309	1,346	(191)
31 December 2022							
Cash and cash equivalents	–	1	1,008	–	418	19	–
Trade and other payables	(576)	–	(6,688)	–	–	(146)	(327)
Amount owning (to)/from subsidiaries (net)	–	(619)	(8,825)	1,956	904	957	–
Loans and borrowings	–	(8,187)	–	(1,480)	–	–	–
Net exposure	(576)	(8,805)	(14,505)	476	1,322	830	(327)

Notes To The Financial Statements
Year ended 31 December 2023

17. FINANCIAL INSTRUMENTS (CONT'D)

(b) Risk management objectives and policies for mitigating financial risk (cont'd)

Market risk (cont'd)

Exposure to currency risk (cont'd)

	HK$ $'000	JPY $'000
Company		
31 December 2023		
Amount owing from subsidiaries (net)	–	1,358
Loans and borrowings	(9,998)	(1,358)
Net exposure	(9,998)	–
31 December 2022		
Amount owing from subsidiaries (net)	–	1,480
Loans and borrowings	(8,187)	(1,480)
Net exposure	(8,187)	–

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.

	2023 $'000	2022 $'000
Group		
EUR	(64)	(58)
HK$	(1,000)	(881)
US$	(2,057)	(1,451)
JPY	41	48
S$	31	132
CNY	135	(83)
GBP	(19)	(33)
Company		
HK$	(1,000)	(819)

Notes To The Financial Statements

Year ended 31 December 2023

17. FINANCIAL INSTRUMENTS (CONT'D)

(b) *Risk management objectives and policies for mitigating financial risk (cont'd)*

Interest rate risk

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

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	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Fixed rate instruments				
Financial assets	274,156	169,968	189,059	95,357
Financial liabilities	(11,356)	(9,667)	(11,356)	(9,667)
Loan due to subsidiary's non-controlling interest	(31,620)	(33,036)	–	–
	231,180	127,265	177,703	85,690
Variable rate instruments				
Financial liabilities	(59,305)	(63,376)	(10,000)	(10,000)

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 2023				
Variable rate instruments	(593)	593	(100)	100
31 December 2022				
Variable rate instruments	(634)	634	(100)	100

Notes To The Financial Statements

Year ended 31 December 2023

17. FINANCIAL INSTRUMENTS (CONT'D)

(b) Risk management objectives and policies for mitigating financial risk (cont'd)

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'interest rate benchmark reform'). The Group had exposures to SOR on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. In Singapore, the Steering Committee for SOR and SIBOR transition to SORA (SC-STS) together with the Association of Banks in Singapore (ABS) and Singapore Foreign Exchange Market Committee (SFEMC), has identified the Singapore Overnight Rate Average (SORA) to replace SOR and SIBOR is by the end of June 2023 and December 2024 respectively. In 2022, the Group has undertaken amendments to its financial instruments with contractual terms indexed to SOR such that they incorporate the new benchmark rate (i.e. SORA). As at 31 December 2022 and 2023, the Group do not have any SOR exposure.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity excluding NCI. The Board also monitors the levels of dividends to ordinary shareholders. In addition, the Board and senior management monitors the Group's capital adequacy and insurance fund solvency levels against regulatory requirements.

To mitigate exposure to large risks underwritten that can impact the financial strength of the Group, it has put in place robust underwriting guidelines and reinsurance arrangements to control its insurance risk exposure. The Group further stress-tests its financial position and capital adequacy under various stress scenarios to assess its financial stability.

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

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

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

There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements, except for Raffles Health Insurance Pte Ltd which is required to comply with the regulatory capital requirement prescribed under the Singapore Insurance Act. Under the Risk-based Capital Framework regulation set by the Monetary Authority of Singapore (MAS), insurance companies are required to satisfy minimum prescribed capital adequacy ratio (CAR) and fund solvency ratio (FSR).

17. FINANCIAL INSTRUMENTS (CONT'D)

(b) Risk management objectives and policies for mitigating financial risk (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 2023								
Financial assets not measured at fair value								
Trade and other receivables #	8	85,360	–	85,360				
Cash and cash equivalents	9	343,598	–	343,598				
		428,958	–	428,958				
Financial liabilities not measured at fair value								
Loans and borrowings	12	–	(70,661)	(70,661)	–	(70,661)	–	(70,661)
Trade and other payables*	13	–	(216,251)	(216,251)				
Other financial liabilities	15	–	(2,700)	(2,700)	–	–	(2,700)	(2,700)
		–	(289,612)	(289,612)				

\# Excludes prepayments
* Excludes deferred income and other long term employee benefits

17. FINANCIAL INSTRUMENTS (CONT'D)

(b) Risk management objectives and policies for mitigating financial risk (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 2022 (Restated)								
Financial assets not measured at fair value								
Trade and other receivables [#]	8	188,668	–	188,668				
Cash and cash equivalents	9	253,127	–	253,127				
		441,795	–	441,795				
Financial liabilities not measured at fair value								
Loans and borrowings	12	–	(73,043)	(73,043)	–	(73,043)	–	(73,043)
Trade and other payables*	13	–	(256,794)	(256,794)				
Other financial liabilities	15	–	(2,744)	(2,744)	–	–	(2,744)	(2,744)
		–	(332,581)	(332,581)				

Excludes prepayments
* Excludes deferred income and other long term employee benefits

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17. FINANCIAL INSTRUMENTS (CONT'D)

(b) Risk management objectives and policies for mitigating financial risk (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 2023								
Financial assets not measured at fair value								
Trade and other receivables #	8	46,243	–	46,243				
Cash and cash equivalents	9	192,998	–	192,998				
Amounts due from subsidiaries	26	841,940	–	841,940	–	–	841,940	841,940
		1,081,181	–	1,081,181				
Financial liabilities not measured at fair value								
Loans and borrowings	12	–	(21,356)	(21,356)	–	(21,356)	–	(21,356)
Trade and other payables*	13	–	(71,225)	(71,225)				
		–	(92,581)	(92,581)				

\# Excludes prepayments
* Excludes deferred income and other long term employee benefits

17. FINANCIAL INSTRUMENTS (CONT'D)

(b) *Risk management objectives and policies for mitigating financial risk (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 2022								
Financial assets not measured at fair value								
Trade and other receivables #	8	154,569	–	154,569				
Cash and cash equivalents	9	121,084	–	121,084				
Amounts due from subsidiaries	26	809,836	–	809,836	–	–	809,836	809,836
		1,085,489	–	1,085,489				
Financial liabilities not measured at fair value								
Loans and borrowings	12	–	(19,667)	(19,667)	–	(19,667)	–	(19,667)
Trade and other payables*	13	–	(94,513)	(94,513)				
		–	(114,180)	(114,180)				

\# Excludes prepayments

* Excludes deferred income and other long term employee benefits

Notes To The Financial Statements

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17. FINANCIAL INSTRUMENTS (CONT'D)

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:

	Put options $'000
Group	
At 1 January 2022	2,761
Changes in exercise price of written put options	(17)
At 31 December 2022	2,744
Changes in exercise price of written put options	(44)
At 31 December 2023	2,700

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Year ended 31 December 2023

18. REVENUE

	Note	Group 2023 $'000	Group 2022 $'000 Restated
Revenue from contracts with customers		560,331	704,408
Rental income		6,908	7,108
Insurance Revenue	16	139,681	111,400
		706,920	822,916

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, 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 - Trading in pharmaceutical and nutraceutical products and diagnostic equipment: customers are usually given a credit term ranges from 30 to 90 days from invoice date

Notes To The Financial Statements

Year ended 31 December 2023

18. REVENUE (CONT'D)

Hospital services

Nature of goods or services	The hospital services segment of the Group principally generates revenue from provision of specialised medical services, inpatient services and business of medical laboratory and imaging centre. Services may be sold separately or in bundled packages. For the bundled contract, the Group accounts for individual services separately if they are distinct, i.e. if a service is separately identifiable from other items in the bundled package and if a patient can benefit from it.
When revenue is recognised	Revenue is recognised in the accounting period in which the services are rendered. The consideration for bundled package is allocated to the separate services based on their relative stand-alone selling prices. The stand-alone selling prices are determined based on individual prices that the Group would have charged if the services were contracted for separately.
Significant payment terms	Invoices are issued upon discharge of patients from the hospital. Payment is due when invoice is issued. For risk management, a portion of the contract consideration is received upfront in the form of deposit for inpatients, and the remaining consideration is received from customers upon issuance of invoices. As such, no financing component has been recognised as the payment terms are for reasons other than financing.

Rental income

Nature of goods or service	The investment holdings segment of the Group principally generates revenue from leasing the investment properties to external parties.
When revenue is recognised	Revenue 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.

19. OTHER OPERATING INCOME

The following items have been included in other operating income:

	Group	
	2023	2022
	$'000	$'000
Changes in fair value of investment properties	7,400	–
Government grants income	170	84
Education grants	7	–
Employment related supports	8,024	6,440

Government grants income relates mainly to COVID-19 relief measures and support which comprise mainly of Early Contribution Incentive, Jobs Support Scheme grants. For government grant that was passed down to external parties, the Group recognised grant expense in profit or loss during the year and presented in 'other operating expenses'.

Employment related supports comprise of Jobs Growth Incentive, Wage Credit Scheme and other employment related subsidies.

Notes To The Financial Statements

Year ended 31 December 2023

20. PROFIT FOR THE YEAR

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

	Group	
	2023	2022
	$'000	$'000
Audit fees paid/payable to:		
- auditors of the Company	281	272
- other auditors	191	185
Non-audit fees paid/payable to:		
- auditors of the Company	57	107
- other auditors	126	266
Changes in fair value in investment properties	(7,400)	600
Contributions to defined contribution plans	20,332	23,486
Foreign exchange loss	1,015	1,349
Gain on disposal of property, plant and equipment, net	(349)	(18)
Impairment loss on intangible assets and goodwill	–	7,338
Impairment loss on property, plant and equipment	–	9,958
Interest expense:		
- bank loans	3,048	4,703
- subsidiary's non-controlling interest	1,516	1,639
- lease liabilities	1,143	540
- others	476	–
Interest income	(9,762)	(2,740)
Property, plant and equipment written-off	159	1,244
Recovery of bad debts	(1,248)	(864)
Value of employee services received for issue of share options and share awards, included in staff costs	3,406	3,160
Write-off for stock obsolescence	540	381

Notes To The Financial Statements

Year ended 31 December 2023

21. TAX EXPENSE

	Note	Group 2023 $'000	Group 2022 $'000 Restated
Tax recognised in profit or loss			
Current tax expense			
Current year		27,043	49,419
Adjustment for prior years		(124)	187
		26,919	49,606
Withholding tax			
Current year		1,215	1,451
Deferred tax expense			
Movements in temporary differences		276	(2,127)
Adjustment for prior years		(61)	(990)
	7	215	(3,117)
Tax expense		28,349	47,940
Reconciliation of effective tax rate			
Profit before tax		119,439	191,340
Tax using the Singapore tax rate of 17% (2022: 17%)		20,305	32,528
Effect of tax rates in foreign jurisdiction		(3,756)	(4,735)
Non-deductible expenses		2,193	6,140
Tax exempt income		(1,518)	(1,899)
Tax incentives		(1,582)	–
Withholding tax		1,215	1,451
Tax effect of unrecognised tax losses		13,110	16,805
Utilisation of tax losses		(186)	(179)
Over provision in respect of prior years		(185)	(803)
Foreign tax credit		(1,030)	(927)
Others		(217)	(441)
		28,349	47,940

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Year ended 31 December 2023

22. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 31 December 2023 was based on the profit attributable to ordinary shareholders of $90,150,000 (2022: $143,214,000), and a weighted-average number of ordinary shares outstanding of 1,859,431,000 (2022: 1,857,199,000), calculated as follows:

Profit attributable to ordinary shareholders

	Group	
	2023	2022
	$'000	$'000 Restated
Profit attributable to ordinary shareholders	90,150	143,214

Weighted-average number of ordinary shares

	Group	
	2023	2022
	No. of shares '000	No. of shares '000
Issued ordinary shares at beginning of the year	1,877,272	1,870,726
Effect of own shares held	(23,067)	(18,115)
Effect of share options exercised	5,226	4,588
Weighted average number of ordinary shares during the year	1,859,431	1,857,199

Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2023 was based on profit attributable to ordinary shareholders of $90,150,000 (2022: $143,214,000), and a weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 1,868,552,000 (2022: 1,866,347,000), calculated as follows:

Profit attributable to ordinary shareholders (diluted)

	Group	
	2023	2022
	$'000	$'000 Restated
Profit attributable to ordinary shareholders	90,150	143,214

Notes To The Financial Statements
Year ended 31 December 2023

22. EARNINGS PER SHARE (CONT'D)

Weighted-average number of ordinary shares

	Group	
	2023	2022
	No. of shares	No. of shares
	'000	'000
Weighted average number of ordinary share (basic)	1,859,431	1,857,199
Potential ordinary shares issuable under share options/share awards	9,121	9,148
Weighted average number of ordinary shares (diluted) during the year	1,868,552	1,866,347

At 31 December 2023, 38,931,000 (2022: 41,688,000) 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 4 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; trading in pharmaceutical and nutraceutical products and diagnostic equipment, and provision of management and consultancy services.
Hospital services	:	The provision of specialised medical services and operation of hospitals and business of medical laboratory and imaging centre.
Investment holdings	:	Investment holdings and those relating to investment properties.
Insurance services	:	The provision of insurance products.

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

Inter-segment pricing is determined on mutually agreed terms.

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

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

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Year ended 31 December 2023

23. OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	Healthcare services		Hospital services		Insurance services		Investment holdings		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
		Restated				Restated				Restated
Revenue and expenses										
Revenue	283,427	445,036	330,589	316,277	144,453	115,015	45,223	45,886	803,692	922,214
Inter-segment revenue	12,336	9,064	43,028	47,628	3,125	3,878	38,283	38,728	96,772	99,298
Finance costs	(2,150)	(903)	(1,002)	(39)	(105)	(31)	(2,926)	(5,909)	(6,183)	(6,882)
Depreciation and amortisation	(15,203)	(15,503)	(9,708)	(11,160)	(1,251)	(1,128)	(203)	(188)	(26,365)	(27,979)
Reportable segment profit before tax	67,323	165,769	32,600	21,413	(7,038)	531	34,146	10,479	127,031	198,192
Other material non-cash items:										
- Impairment loss on intangible assets and goodwill	–	(7,327)	–	(11)	–	–	–	–	–	(7,338)
- Impairment loss on property, plant and equipment	–	–	–	–	–	–	–	(9,958)	–	(9,958)
- Impairment gain/(loss) on trade receivable	111	(405)	(528)	(610)	–	–	–	–	(417)	(1,015)
Reportable segment assets	1,173,602	1,177,815	233,464	232,149	149,289	124,159	958,834	962,977	2,515,189	2,497,100
Capital expenditure	38,478	15,246	9,291	5,087	898	2,207	444	386	49,111	22,926
Reportable segment liabilities	200,930	200,161	186,662	184,313	126,080	93,248	740,474	757,132	1,254,146	1,234,854

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Year ended 31 December 2023

23. OPERATING SEGMENTS (CONT'D)

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

	2023 $'000	2022 $'000 Restated
Revenues		
Total revenue for reportable segments	803,692	922,214
Elimination of inter-segment revenue	(96,772)	(99,298)
Consolidated revenue	706,920	822,916
Profit before tax		
Total profit before tax for reportable segments	127,031	198,192
Elimination of inter-segment profits/ Consolidation adjustment	4,290	5,385
Adjustment for depreciation of property, plant and equipment	(11,882)	(12,237)
Consolidated profit before tax	119,439	191,340
Assets		
Total assets for reportable segments	2,515,189	2,497,100
Elimination of inter-segment assets	(989,509)	(967,731)
Unallocated amounts-current tax and deferred tax assets	2,550	2,425
Consolidated total assets	1,528,230	1,531,794
Liabilities		
Total liabilities for reportable segments	1,254,146	1,234,854
Elimination of inter-segment liabilities	(804,986)	(788,200)
Unallocated amounts-current tax and deferred tax liabilities	35,218	57,390
Consolidated total liabilities	484,378	504,044

Notes To The Financial Statements

Year ended 31 December 2023

23. OPERATING SEGMENTS (CONT'D)

Other material items

	Reportable segment totals $'000	Adjustments $'000	Consolidated totals $'000
31 December 2023			
Depreciation and amortisation	26,365	11,882	38,247
31 December 2022			
Depreciation and amortisation	27,979	12,237	40,216

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 $11,882,000 (2022: $12,237,000) relates to the depreciation of these properties for the year ended 31 December 2023.

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	
	2023 $'000	2022 $'000 Restated
Revenue		
Singapore	631,108	756,131
Greater China	59,324	50,247
Rest of Asia	16,488	16,538
Consolidated revenue	706,920	822,916
Non-current assets		
Singapore	684,935	679,065
Greater China	339,925	347,497
Rest of Asia	8,386	6,184
Consolidated non-current assets*	1,033,246	1,032,746

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

Notes To The Financial Statements

Year ended 31 December 2023

23. OPERATING SEGMENTS (CONT'D)

Major customer

Revenue from one major customer amounted to $124.7 million (2022: $161.7 million), generated by sales from all segments.

24. COMMITMENTS

At 31 December 2023, commitments contracted but not provided for by the Group in the financial statements amounted to $25,475,000 (2022: $24,160,000). This mainly relates to capital expenditure for Shanghai Qihua Hospital, Raffles Hospital Shanghai and Raffles Hospital Chongqing.

25. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Key management personnel compensation

In addition to their salaries, the Group provides non-cash benefits to directors and executives.

Key management personnel participate in the Raffles Medical Group (2020) Share Option Scheme and Raffles Medical Group (2020) Performance Share Plan. 2,640,000 (2022: 2,595,000) share options were received by the key management personnel of the Company during the year. The share options that were granted during the year were on the same terms and conditions as those offered to other employees of the Company as described in note 11. At the reporting date, 10,944,000 (2022: 9,185,000) of the share options and 1,500 (2022: 17,500) of share awards granted to the directors of the Company were outstanding.

Key management personnel compensation comprised:

	Group	
	2023	**2022**
	$'000	**$'000**
Short-term employee benefits	17,375	25,606
Other long-term employee benefits	188	351
Directors' fees	635	614
Share-based benefits	719	701
	18,917	27,272

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26. SUBSIDIARIES

	Company	
	2023	2022
	$'000	$'000
Investments in subsidiaries	48,465	47,462
Amounts due from subsidiaries	841,940	809,836
	890,405	857,298

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	
			2023	2022
			%	%
[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

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26. SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2023	2022
			%	%
[2] Raffles Research Labs Pte Ltd	Research & experimental development on Biotechnology, Life & Medical Science (dormant)	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
[4] Raffles Healthcare Management (China) Limited	Provision of hospital management and hospital management consultancy services	Hong Kong	100	100

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26. SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group 2023 %	Effective equity interest held by the Group 2022 %
[1] Raffles Medical International Pte Ltd and its subsidiaries:	Investment holding	Singapore	100	100
[4] Raffles Medical Group (Hong Kong) Limited and its subsidiaries:	Investment holding and provision of medical and dental services	Hong Kong	100	100
[4] Coors Consultants Limited	Provision of consultancy services	Hong Kong	100	100
[4] Medical Properties Limited	Investment holding, provision of medical services and hospital operation	Hong Kong	100	100
[7] Anzheng (Chongqing) Hospital Co. Ltd.	Property owner	China	100	100
[7] ShenAn (Chongqing) Hospital Co. Ltd.	Hospital management and operations	China	100	100
[7] Renguang Health Management (Shanghai) Co. Ltd.	Hospital management and operations	China	100	100
[7] Raffles Hospital Shanghai Co. Ltd.	Hospital management and operations	China	100	100
[2] Raffles International Hospital Hainan Co. Ltd.	Provision of medical services	China	100	100[11]
[4] Raffles Medical Services (HK) Limited	Provision of medical services	Hong Kong	100	100
[2] Renguang Management Consultancy (Shanghai) Co. Ltd	Management consultancy	China	100	100
[2] Dalian Jin Pu New District Anshen Clinic	Operation of medical clinics and provision of medical services	China	–[14]	–[14]
[6] Nanjing Lai Ning Clinic and its subsidiaries:	Operation of medical clinics and provision of medical services	China	–[14]	–[14]
[6] Tianjin Lai Ning Clinic and its subsidiary:	Operation of medical clinics and provision of medical services	China	–[14]	–[14]
[6] Tianjin LaiRui Clinic	Operation of medical clinics and provision of medical services	China	–[12, 14]	–

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Year ended 31 December 2023

26. SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2023	2022
			%	%
[2] Shanghai Ruihe Clinic Co. Ltd and its subsidiary:	Operation of medical clinics and provision of medical services	China	– [14]	– [14]
[8] Shenzhen ShenAn Clinic	Operation of medical clinics and provision of medical services	China	– [14]	– [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] Raffles Hospital Beijing Co., Ltd	Provides medical services through operation of medical clinics	China	80	80
[2] 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
[2] Shenzhen International SOS Clinic	Provision of clinical services	China	80	80

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Year ended 31 December 2023

26. SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity interest held by the Group 2023 %	Effective equity interest held by the Group 2022 %
[1] Raffles Medical China Pte Ltd and its subsidiaries:	Investment holding and provision of medical services and hospital operation	Singapore	100	100
[1] PeopleSolve Pte. Ltd.	Provision of employment agency and other health services	Singapore	100	100
[1] Shanghai Capital Pte Ltd and its subsidiary:	Investment holding	Singapore	100	100
[7] Shanghai Qihua Hospital Co. Ltd.	Property owner	China	70	70
[1] RMG Capital Pte Ltd and its subsidiary:	Investment holding	Singapore	100	100
[1] Asian Healthcare Capital Management Pte Ltd	Property owner	Singapore	100	100
[2] International Medical Investment Co., Ltd	Investment holding (dormant)	British Virgin Islands	100	100
[1] Nicoll Capital Pte. Ltd. and its subsidiary:	Investment holding	Singapore	100	100
[1] Nicoll Consultancy Pte. Ltd.	Provision of management consultancy services for healthcare organisations	Singapore	100	100
[1] Scotts Capital Pte. Ltd. and its subsidiaries:	Investment holding	Singapore	100	100
[2] Scotts Consultancy Pte. Ltd.	Provision of management consultancy services for healthcare organisations (dormant)	Singapore	100	100
[9] Scotts Medical Services Co. Ltd	Provides medical examination and treatment through its international polyclinics and specialty clinic	Vietnam	100[13]	–

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26. SUBSIDIARIES (CONT'D)

1 *Audited by KPMG LLP, Singapore*

2 *Not required to be audited*

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

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

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

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

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

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

9 *Audited by KPMG Limited, Ho Chi Minh City*

10 *Audited by BDO (Cambodia) Limited*

11 *The subsidiary was incorporated on 8 June 2022*

12 *The subsidiary was incorporated on 9 February 2023*

13 *The subsidiary was incorporated on 21 September 2023*

14 *The Group does not hold any ownership interests in these entities. However, based on the terms of agreements under which these entities were established, the Group receives substantially all of the returns related to their operations and net assets and has the current ability to direct these entities' activities that most significantly affect these returns. Because the owners' interests in these entities are presented as liabilities of the Group, there are no non-controlling interests for these entities.*

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

Non-controlling interests in subsidiaries

The following subsidiaries have non-controlling interests (NCI) that are material to the Group.

Name	Principal places of business/ Country of incorporation	Ownership interests held by NCI	
		2023	2022
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.

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Year ended 31 December 2023

26. SUBSIDIARIES (CONT'D)

	RJC	MCH	SQH	Other individually immaterial subsidiaries	Intra-group elimination	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2023						
Revenue	17,436	37,961	11,632			
Profit/(Loss)	1,763	(3,823)	2,797			
Other comprehensive income (OCI)	–	932	(1,457)			
Total comprehensive income	1,763	(2,891)	1,340			
Attributable to NCI:						
- Profit/(Loss)	353	(765)	839	513	–	940
- OCI	–	186	(437)	75	–	(176)
Total comprehensive income	353	(579)	402	588	–	764
Non-current assets	510	22,804	167,889			
Current assets	21,159	16,175	30,062			
Non-current liabilities	(30)	(13,216)	(122,229)			
Current liabilities	(5,391)	(48,801)	(18,286)			
Net assets/(liabilities)	16,248	(23,038)	57,436			
Net assets attributable to NCI	3,250	(4,608)	17,231	(343)	584	16,114
Cash flows from/(used in) operating activities	1,900	2,054	9,458			
Cash flows from/(used in) investing activities	492	(15,526)	(1,662)			
Cash flows (used in)/ from financing activities	–	15,685	(7,605)			
Net increase in cash and cash equivalents	2,392	2,213	191			
2022						
Revenue	14,466	35,223	12,098			
Profit/(Loss)	218	(7,788)	3,825			
Other comprehensive income (OCI)	–	1,404	(3,848)			
Total comprehensive income	218	(6,384)	(23)			
Attributable to NCI:						
- Profit/(Loss)	44	(1,558)	1,148	552	–	186
- OCI	–	281	(1,154)	211	–	(662)
Total comprehensive income	44	(1,277)	(6)	763	–	(476)
Non-current assets	579	15,821	176,835			
Current assets	18,296	15,073	33,122			
Non-current liabilities	(61)	(3,905)	(135,286)			
Current liabilities	(4,356)	(46,990)	(17,622)			
Net assets/(liabilities)	14,458	(20,001)	57,049			
Net assets attributable to NCI	2,892	(4,000)	17,115	(931)	274	15,350

Notes To The Financial Statements

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26. SUBSIDIARIES (CONT'D)

	RJC	MCH	SQH	Other individually immaterial subsidiaries	Intra-group elimination	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2022						
Cash flows from/(used in) operating activities	83	7,996	(9,717)			
Cash flows from/(used in) investing activities	264	(4,240)	(13,345)			
Cash flows (used in)/ from financing activities	(3)	–	24,185			
Net increase in cash and cash equivalents	344	3,756	1,123			

27. DIVIDENDS

After the respective reporting dates, the directors proposed a final core dividend of 2.40 cents (2022: 3.80 cents) per share, amounting approximately to $44,568,000 (2022: $70,473,000), which is based on the number of shares outstanding as at the end of the financial year. The dividends have not been provided for and there are no income tax consequences.

28. NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

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

The amendments as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024.

The application of these amendments does not have a material effect on the Group's consolidated financial statements.

(ii) *Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements*

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for annual periods beginning on or after 1 January 2024.

The application of these amendments does not have a material effect on the Group's consolidated financial statements.

(iii) Others

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

- *Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback*
- *Amendments to SFRS(I) 1-21: Lack of Exchangeability*

Notes To The Financial Statements
Year ended 31 December 2023

29. SUBSEQUENT EVENTS

On 18 January 2024, RJC Ltd, a subsidiary of the Company, completed the acquisition of the remaining 49% which it does not already hold, in the equity interest of RSM Ltd, Japan, for a total cash consideration of JPY40,089,000 ($367,000). RSM Ltd in turn holds a 100% equity interest in Zui Wai Kai Medical Corporation, which primarily operates the Group's Osaka Clinic.

On completion of this acquisition, RSM Ltd becomes a wholly owned subsidiary of RJC Ltd. This acquisition was financed by Company's internal funds.

Shareholdings Statistics

As at 19 March 2024

SHARE CAPITAL AND VOTING RIGHTS

Number of issued and fully paid shares	: 1,884,228,925
Number and percentage of treasury shares held	: 27,187,750 (1.443% of total number of issued ordinary shares)
Class of shares	: Ordinary shares
Number of subsidiary holdings	: Nil
Voting rights	: 1 vote per ordinary share / No vote for treasury shares

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 19 March 2024, approximately 36.8% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	%	Number of Shares (Excluding Treasury Shares And Subsidiary Holdings)	%
1 - 99	1,164	7.54	50,400	0.00
100 - 1,000	1,862	12.07	1,009,496	0.06
1,001 - 10,000	7,678	49.76	39,180,639	2.11
10,001 - 1,000,000	4,679	30.32	201,668,339	10.86
1,000,001 and above	47	0.31	1,615,132,301	86.97
	15,430	100.00	1,857,041,175	100.00

Shareholdings Statistics

As at 19 March 2024

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	Number of Shares	%*
1	Raffles Medical Holdings Pte Ltd	692,280,209	37.28
2	Loo Choon Yong	214,115,323#	11.53
3	Citibank Nominees Singapore Pte Ltd	135,111,545	7.28
4	DBS Nominees (Private) Limited	131,714,359	7.09
5	Raffles Nominees (Pte.) Limited	98,266,959	5.29
6	DBSN Services Pte. Ltd.	75,218,522	4.05
7	S & D Holdings Pte Ltd	62,755,366	3.38
8	HSBC (Singapore) Nominees Pte Ltd	45,832,005	2.47
9	UOB Nominees (2006) Private Limited	27,114,295	1.46
10	Tan Tiang Lee	15,823,192	0.85
11	Asian Medical Foundation Ltd	14,443,321	0.78
12	United Overseas Bank Nominees (Private) Limited	11,744,888	0.63
13	Yii Hee Seng	10,030,513	0.54
14	Maybank Securities Pte. Ltd.	9,049,044	0.49
15	OCBC Nominees Singapore Private Limited	8,599,428	0.46
16	Phillip Securities Pte Ltd	7,376,314	0.40
17	Tan Soo Nan @Tan Soo Nam	4,671,000	0.25
18	IFast Financial Pte. Ltd.	4,081,919	0.22
19	Wee Beng Geok	3,604,000	0.19
20	OCBC Securities Private Limited	3,346,611	0.18
		1,575,178,813	84.82

* The percentage is calculated based on the number of issued ordinary shares of the Company as at 19 March 2024, excluding 27,187,750 shares held as treasury shares as at that date.

The Number of Shares held by Loo Choon Yong does not take into account the 800,000 shares acquired via market transaction between 13 March 2024 and 19 March 2024.

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest		Total Interest	
Name	Number of Shares	%[1]	Number of Shares	%[1]	Number of Shares	%[1]
Dr Loo Choon Yong[2]	214,915,323	11.57	783,835,081	42.21	998,750,404	53.78
Raffles Medical Holdings Pte Ltd	719,394,504	38.74	-	-	719,394,504	38.74
Global Alpha Capital Management Ltd.[3]	-	-	168,768,350	9.09	168,768,350	9.09

Notes:

(1) Percentage is calculated based on the total number of issued ordinary shares, excluding treasury shares.

(2) Dr Loo is deemed to be interested in the shares of the Company held through Raffles Medical Holdings Pte Ltd, of which he is a director and shareholder, S & D Holdings Pte Ltd, of which he is a director and shareholder, and his spouse, Mdm Leong Lai Chee Jacqueline, by virtue of the operation of the provisions of Section 4 of the Securities and Futures Act 2001 of Singapore.

(3) Global Alpha Capital Management Ltd. is a Canadian based discretionary asset manager, and has provided notification to the Company regarding shares of the Company held on behalf of a number of pooled funds and client accounts, for which Global Alpha Capital Management Ltd. has discretionary control of voting rights. The pooled fund units are held by various clients. Global Alpha Capital Management Ltd. does not hold any of the shares on its own behalf.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 35th Annual General Meeting (**AGM**) of Raffles Medical Group Ltd (the **Company**) will be held at **Rooms 324 to 326, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Friday, 26 April 2024 at 3.30 p.m.** for the purpose of considering and, if thought fit, passing with or without modification, the following resolutions as Ordinary Resolutions:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December 2023 together with the Auditors' Report thereon.

[Resolution 1]

2. To declare a one-tier tax exempt final dividend of 2.4 Singapore cents per share for the year ended 31 December 2023 (2022: 3.8 Singapore cents per share).

[Resolution 2]

3. To approve Directors' Fees comprising up to S$527,000 (2022: S$505,500) and up to 1,600,000 Share Options (2022: 1,360,000) for the year ended 31 December 2023.

[Resolution 3]

4. To re-elect Mr Lim Sim Seng, who is retiring in accordance with Regulation 92 of the Constitution of the Company, and who, being eligible, will offer himself for re-election.

[Resolution 4]

5. To re-elect Dr Lu Liangjian David, who is retiring in accordance with Regulation 92 of the Constitution of the Company, and who, being eligible, will offer himself for re-election.

[Resolution 5]

6. To re-elect Mr Lew Yoong Keong Allen, who is retiring by rotation in accordance with Regulation 93 of the Constitution of the Company, and who, being eligible, will offer himself for re-election.

[Resolution 6]

7. To re-elect Dr Sarah Lu Qinghui, who is retiring by rotation in accordance with Regulation 93 of the Constitution of the Company, and who, being eligible, will offer herself for re-election.

[Resolution 7]

8. To re-appoint KPMG LLP as Auditors of the Company and to authorise the directors of the Company (**Directors**) to fix their remuneration.

[Resolution 8]

AS SPECIAL BUSINESS

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

That pursuant to Section 161 of the Companies Act 1967 of Singapore (**Companies Act**) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (**SGX-ST**), authority be and is hereby given to the Directors to:

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

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

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

Notice of Annual General Meeting

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

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

Provided That:

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

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

(i) new shares arising from the conversion or exercise of convertible securities, which are issued and outstanding or subsisting at the time this Resolution is passed;

(ii) new shares arising from exercising of share options or vesting of share awards, which are issued and outstanding or subsisting at the time this Resolution is passed; and

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

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

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

[Resolution 9]

10. **Authority to Allot and Issue Shares Under the Raffles Medical Group Share-Based Incentive Schemes**

That pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised to:

(a) grant awards (**Awards**) and/or options (**Options**) in accordance with the rules of the Raffles Medical Group (2020) Performance Share Plan (**RMG PSP 2020**) and the Raffles Medical Group (2020) Share Option Scheme (**RMG ESOS 2020**) respectively; and

(b) allot and issue or deliver from time to time such number of shares as may be required pursuant to the vesting of the Awards under the RMG PSP 2020 and/or the exercise of Options under the RMG ESOS 2020,

provided that the aggregate number of shares to be issued pursuant to the RMG PSP 2020, the RMG ESOS 2020 and all other share-based incentive schemes of the Company then in force shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

[Resolution 10]

Notice of Annual General Meeting

11. **The Proposed Renewal of Share Buy Back Mandate**

That:

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

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

(ii) off-market purchase of Shares (**Off-Market Equal Access Share Buy Back**) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise be in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (**the Share Buy Back Mandate**);

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

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

(ii) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Buy Back Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the proposed Share Buy Back Mandate is revoked or varied by the Shareholders in a general meeting;

(c) in this Resolution:

"**Average Closing Market Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of an On-Market Share Buy Back by the Company or, as the case may be, the date of the making of the offer pursuant to an Off-Market Equal Access Share Buy Back, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs during the relevant five (5) Market Days and the day on which the repurchase is made;

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

"**Maximum Percentage**" means the number of issued Shares representing ten per cent (10%) of the issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings); and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed more than five per cent (5%) of the Average Closing Market Price of the Share (in the case of an On-Market Share Buy Back or an Off-Market Equal Access Share Buy Back); and

Notice of Annual General Meeting

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

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

[Resolution 11]

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

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

[Resolution 12]

13. To note the retirement of Mr Eric Ang Teik Lim, as a Director of the Company in accordance with Regulation 94 of the Constitution of the Company, at the conclusion of this AGM.

BY ORDER OF THE BOARD

Kimmy Goh
Company Secretary
3 April 2024

Notice of Annual General Meeting

Explanatory Notes:

In relation to Ordinary Resolution 2 above, the Company will, upon the approval by Shareholders of the proposed final dividend for the year ended 31 December 2023, be paid on 23 May 2024.

Ordinary Resolution 3 above, if passed, is to seek approval for Directors' Fees to the non-executive Directors for the year ended 31 December 2023, comprising up to S$527,000 and up to 1,600,000 Share Options. The offer and grant of Share Options to the non-executive Directors will be made pursuant to and in accordance with the rules of the RMG ESOS 2020, and will be on the following key terms:

(a)	Proposed Date of Grant of Option	:	Within 6 months from the date of the 2024 AGM
(b)	Exercise Price per Share	:	Market price (i.e. 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 SGX-ST for the three (3) consecutive days, in which SGX-ST is open for trading in securities, immediately preceding the date of grant of the Option, rounded to the nearest whole cent
(c)	Exercise Period of Option	:	The period from the day after the second anniversary of the date of grant of the Option to the day falling before the fifth anniversary of the date of grant of the Option

The Company has not ascribed a monetary value to the Share Options proposed to be granted at this juncture as it is unclear if and when the non-executive Directors will exercise their respective Options.

In relation to Ordinary Resolution 4 above, Mr Lim Sim Seng will, upon re-election as Director of the Company, remain as a Non-Executive and Independent Director of the Company. There are no relationships (including immediate family relationships) between Mr Lim and the other Directors of the Company.

In relation to Ordinary Resolution 5 above, Dr Lu Liangjian David will, upon re-election as Director of the Company, remain as the Non-Executive and Non-Independent Director of the Company. Dr David Lu is the son of Dr Loo Choon Yong, the Executive Chairman of the Company and the brother of Dr Sarah Lu Qinghui, Executive and Non-Independent Director of the Company.

In relation to Ordinary Resolution 6 above, Mr Lew Yoong Keong Allen will, upon re-election as Director of the Company, remain as a Non-Executive and Independent Director of the Company and Chairman of the Audit & Risk Committee, and will be considered independent for the purposes of Rule 704(8) of the Listing Manual. There are no relationships (including immediate family relationships) between Mr Lew and the other Directors of the Company.

In relation to Ordinary Resolution 7 above, Dr Sarah Lu Qinghui will, upon re-election as Director of the Company, remain as an Executive and Non-Independent Director of the Company. Dr Sarah Lu is the daughter of Dr Loo Choon Yong, the Executive Chairman of the Company and the sister of Dr Lu Liangjian David, Non-Executive and Non-Independent Director of the Company.

Ordinary Resolution 9 above, if passed, will authorise the Directors of the Company from the date of the above AGM until the date of the next AGM or the date by which the next AGM is required by law to be held, to allot and issue shares and convertible securities in the Company up to an amount not exceeding in total 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, for the time being for such purposes as they consider would be in the interest of the Company, provided that the aggregate number of shares to be issued other than on a pro-rata basis to existing Shareholders pursuant to this Resolution shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, for the time being.

Ordinary Resolution 10 above, if passed, will authorise the Directors to grant Awards and/or Options and allot and issue or deliver shares in the capital of the Company pursuant to the vesting of the Awards under the RMG PSP 2020 or exercise of Options under the RMG ESOS 2020 provided that the aggregate number of shares to be issued pursuant to the RMG PSP 2020, the RMG ESOS 2020 and all other share-based incentive schemes of the Company then in force shall not exceed 15% of the total number of shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

Further details in relation to Ordinary Resolution 11 can be found in the letter to Shareholders dated 3 April 2024 which is appended as Appendix A to the Notice of Annual General Meeting (Appendix A). Appendix A can be downloaded from the Company's website at https://www.rafflesmedicalgroup.com/investor-relations/upcoming-events/annual-general-meeting. All capitalised terms used in Ordinary Resolution 11 which are not defined herein shall have the same meanings ascribed to them in Appendix A, unless otherwise defined herein or where the context otherwise requires.

Ordinary Resolution 12 above, if passed, will authorise the Directors of the Company to issue ordinary shares pursuant to the Raffles Medical Group Ltd Scrip Dividend Scheme to members who have elected to receive scrip in lieu of cash in respect of any dividend to which the said Scrip Dividend Scheme is applied.

Notes:

General

1. The 35th Annual General Meeting (AGM) will be held in a wholly physical format. There will be no option for shareholders to participate virtually. Printed copies of this Notice of AGM and Proxy Form will be sent to members of the Company.
2. Members may participate in the AGM by:
   (a) attending the AGM in person;
   (b) submitting questions to the Chairman of the AGM in advance of, or at the AGM; and/or
   (c) voting at the AGM
      (i) themselves personally; or
      (ii) through their duly appointed proxy(ies).

Notice of Annual General Meeting

Central Provident Fund (**CPF**) Investment Scheme investors and/or Supplementary Retirement Scheme (**SRS**) investors who wish to attend the AGM in person should approach their respective CPF agent banks or SRS operators to make arrangements by 5.00 p.m. on 16 April 2024, being seven (7) clear working days prior to the date of the AGM.

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

Appointment of Proxy and Voting

3. (a) A member, who is not a relevant intermediary, is entitled to appoint not more than two (2) proxies to attend, speak and vote on his behalf at the AGM. Where a member appoints more than one (1) proxy, he shall specify the proportion of his shares to be represented by each proxy in the form of proxy.

   (b) A member, who is a relevant intermediary, is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints two (2) or more proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   Relevant intermediary has the meaning ascribed to it in Section 181 of the Companies Act 1967 which means:

   (i) a banking corporation licensed under the Banking Act 1970, or its wholly-owned subsidiary, whose business includes the provision of nominee services, and who holds shares in that capacity;

   (ii) a capital markets services licence holder who provides custodial services for securities under the Securities and Futures Act 2001, and who holds shares in that capacity; or

   (iii) the CPF Board established by the Central Provident Fund Act 1953, in respect of shares purchased on behalf of CPF investors, if CPF holds those shares in the capacity of an intermediary.

4. A proxy need not be a member of the Company. The instrument appointing a proxy or proxies must be deposited at the office of the share registrar of the Company at Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632, or received via email sent to rmgagm2024@boardroomlimited.com, in either case no later than **Tuesday, 23 April 2024, 3.30 p.m. Singapore time**, being 72 hours before the time fixed for holding the AGM.

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

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

5. Investors holding shares through a relevant intermediary should not make use of the Proxy Form. CPF and SRS investors who wish to appoint a proxy should approach their respective CPF agent banks or SRS operators to submit their votes by 5.00 p.m. on 16 April 2024, being seven (7) clear working days prior to the date of the AGM. Other such investors should approach their respective relevant intermediary to specify their voting instructions as soon as possible.

6. A corporation which is a member may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967.

Submission of Questions

7. Members, as well as CPF and SRS investors, may submit questions relating to the business of the AGM up until 3.30 p.m. on 12 April 2024 in the following manner:

   (a) via post, to be deposited at the office of the share registrar of the Company at Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or

   (b) via email sent to investorrelations@rafflesmedical.com.

   When sending your questions via post or email, please also provide the Company with (i) your full name; (ii) your address; and (iii) the manner in which you hold shares in the Company (e.g. via The Central Depository, CPF or SRS).

   The Company will publish its response to questions no later than 72 hours before the closing date and time for the lodgement of the proxy forms, via an announcement on SGXNet and the Company's website. Any subsequent clarifications sought on substantial and relevant matters after the cut-off time for submission of questions will be addressed at the AGM. Shareholders and/or their duly appointed proxy(ies) will also be able to ask questions relating to the business of the AGM, at the AGM. The Company will also publish the minutes of the AGM on SGXNet and the Company's website.

Personal Data Privacy

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

Additional Information on Directors Seeking Re-Election

As at 19 March 2024

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, we set out below the additional information on Mr Lim Sim Seng, Dr Lu Liangjian David, Mr Lew Yoong Keong Allen, and Dr Sarah Lu Qinghui, all of whom are seeking re-election as Directors at the 35th Annual General Meeting. The information shall be read in conjunction with their respective biographies on pages 13 to 19 of the Raffles Medical Group (RMG) Annual Report 2023.

Name of Director	Mr Lim Sim Seng	Dr Lu Liangjian David	Mr Lew Yoong Keong Allen	Dr Sarah Lu Qinghui
Date of Appointment	1/8/2023	1/8/2023	28/10/2020	20/02/2018
Date of last re-appointment (if applicable)	Not Applicable	Not Applicable	26/04/2021	26/04/2021
Age	65	33	68	42
Country of Principal Residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The re-election of Mr Lim as a Non-Executive and Independent Director of the Company was recommended by the Nomination and Compensation Committee (NCC) and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. Mr Lim has abstained from the deliberation of the Board pertaining to his re-election.	The re-election of Dr David Lu as a Non-Executive and Non-Independent Director of the Company was recommended by the NCC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. Dr David Lu has abstained from the deliberation of the Board pertaining to his re-election.	The re-election of Mr Lew as a Non-Executive and Independent Director of the Company was recommended by the NCC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. Mr Lew has abstained from the deliberation of the Board pertaining to his re-election.	The re-election of Dr Sarah Lu as an Executive and Non-Independent Director of the Company was recommended by the NCC and the Board has accepted the recommendation, after taking into consideration her qualifications, expertise, past experiences and overall contribution since she was appointed as a Director of the Company. Dr Sarah Lu has abstained from the deliberation of the Board pertaining to her re-election.
Whether appointment is executive, and if so, the area of responsibility	• Non-Executive	• Non-Executive	• Non-Executive	• Executive, Consultant, Breast Surgeon
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Non-Executive and Independent Director	• Non-Executive and Non-Independent Director	• Non-Executive and Independent Director • Chairman of the Audit & Risk Committee	• Executive and Non-Independent Director

Additional Information on Directors Seeking Re-Election

As at 19 March 2024

Name of Director	Mr Lim Sim Seng	Dr Lu Liangjian David	Mr Lew Yoong Keong Allen	Dr Sarah Lu Qinghui
Professional qualifications	• Bachelor in Business Administration, Yokohama National University, Japan • Japanese Government Monbusho Scholar	• Master of Medicine (Paediatric Medicine), National University of Singapore • Membership of the Royal College of Paediatrics and Child Health • University of Cambridge - Master of Arts - MB BChir - Bachelor of Arts (Honours) (First Class)	• Bachelor of Electrical Engineering, University of Western Australia • Master of Science (Management), Massachusetts Institute of Technology, USA	• MBBS, University of London • Master of Medicine (Surgery), National University of Singapore • Fellow, Royal College of Surgeons (Edinburgh) • Master of Science in Health Professions Education, MGH Institute of Health Professions
Working experience and occupation(s) during the past 10 years	• DBS Group Holdings Ltd - Senior Advisor (Apr 2023 to Present) - Group Executive, Consumer Banking Group & Wealth Management (2019 to Mar 2023) - Group Executive, Singapore Country Head (2010 to 2018)	• National University Hospital Singapore, Department of Paediatrics - Associate Consultant (Feb 2023 to Present) - Senior Resident (2020 to Feb 2023) - Resident (2016 to 2019)	• Singapore Telecommunications Limited - Senior Advisor (2021 to 2023) - CEO Group Strategy & Business Development / Country Chief Officer Thailand (2020 to 2021) - CEO, Consumer Australia and CEO Optus (2014 to 2020)	• Raffles Hospital - Consultant, Breast Surgeon (2020 to Present) • Tan Tock Seng Hospital - Consultant (2015 to Apr 2020) - Associate Consultant (2013 to 2015)
Shareholding interest in RMG and its subsidiaries	No	Yes	Yes	Yes

Additional Information on Directors Seeking Re-Election

As at 19 March 2024

Name of Director	Mr Lim Sim Seng	Dr Lu Liangjian David	Mr Lew Yoong Keong Allen	Dr Sarah Lu Qinghui
Shareholding Details	Direct interest : Nil Deemed interest: Nil	Direct interest: Nil Deemed interest: 62,755,366 of RMG shares	Direct interest: 200,000 of RMG shares Deemed interest: Nil 640,000 share options (vested and unvested) granted pursuant to the RMG ESOS 2020	Direct interest: Nil Deemed interest: 62,813,432 of RMG shares 620,000 share options (vested and unvested) granted pursuant to the RMG ESOS 2010 and RMG ESOS 2020 1,750 performance shares (unvested) awarded pursuant to the RMG PSP 2020
Any relationship (including immediate family relationships) with any existing director, existing executive officer, RMG and/ or substantial shareholder of RMG or of any of its principal subsidiaries	Nil	Dr David Lu is the son of Dr Loo Choon Yong, Executive Chairman of RMG, and the brother of Dr Sarah Lu, Executive and Non-Independent Director of RMG.	Nil	Dr Sarah Lu is the daughter of Dr Loo Choon Yong, Executive Chairman of RMG, and the sister of Dr David Lu, Non-Executive and Non-Independent Director of RMG.
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7)under Rule 720(1) has been submitted to RMG	Yes	Yes	Yes	Yes

Additional Information on Directors Seeking Re-Election

As at 19 March 2024

Name of Director	Mr Lim Sim Seng	Dr Lu Liangjian David	Mr Lew Yoong Keong Allen	Dr Sarah Lu Qinghui
OTHER PRINCIPAL COMMITMENTS INCLUDING DIRECTORSHIPS				
Past (for the last 5 years)	1. Asean Bankers Association (Alternate Director) 2. Asfinco Singapore Limited (Director) (Dissolved – Members' Voluntary Winding Up) 3. Nikko Asset Management Co., Ltd (Director) 4. Singapore Land Authority (Chairman)	1. National University Hospital Singapore (Resident/Senior Resident)	1. Advanced Info Service Public Company Ltd 2. Advanced Contact Centre Company Ltd 3. Advanced Wireless Network Company Ltd 4. A.C.S.T. Business Holdings, Inc. 5. Asiacom Philippines, Inc. 6. Globe Telecom Inc. 7. Grid Communications Pte Ltd 8. AIS Digital Life Company Ltd 9. DnaNudge Limited 10. AKAL Pty Ltd 11. Alpha West ERP Pty Ltd 12. Alpha West Holdings Pty Ltd 13. Alphawest Pty Ltd 14. Alphawest Services Pty Ltd 15. AUE Music TV Pty Ltd 16. AUEVR Music TV Pty Ltd 17. AUSSAT Finance Ltd 18. AUSSAT New Zealand Ltd 19. Bkal Pty Ltd 20. CV Services International Wholesale Pty Ltd 21. Evolution IS (ACT) Pty Ltd 22. Evolution IS Pty Ltd 23. Inform Systems Australia Pty Ltd 24. Microplex Pty Ltd 25. Optus Administration Pty Ltd 26. Optus ADSL Pty Ltd 27. Optus Billing Services Pty Ltd 28. Optus Broadband Pty Ltd 29. Optus Content Pty Ltd	Nil

Additional Information on Directors Seeking Re-Election

As at 19 March 2024

Name of Director	Mr Lim Sim Seng	Dr Lu Liangjian David	Mr Lew Yoong Keong Allen	Dr Sarah Lu Qinghui
OTHER PRINCIPAL COMMITMENTS INCLUDING DIRECTORSHIPS (CONT'D)				
Past (for the last 5 years)			30. Optus Data Centres Pty Ltd 31. Optus E_Solutions Pty Ltd 32. Optus E-Commerce Pty Ltd 33. Optus Finance Pty Ltd 34. Optus Fixed Infrastructure Pty Ltd 35. Optus Internet Pty Ltd 36. Optus Kylie Holdings Pty Ltd 37. Optus Mobile Investments Pty Ltd 38. Optus Mobile Migrations Pty Ltd 39. Optus Mobile Pty Ltd 40. Optus Multimedia Pty Ltd 41. Optus Narrowband Pty Ltd 42. Optus Network Investments Pty Ltd 43. Optus Networks Pty Ltd 44. Optus Rental and Leasing Pty Ltd 45. Optus Retailco Pty Ltd 46. Optus Share Plan Pty Ltd 47. Optus Stockco Pty Ltd 48. Optus Systems Pty Ltd 49. Optus Vision Interactive Pty Ltd 50. Optus Vision Investments Pty Ltd 51. Path Communications Pty Ltd 52. Perpetual Systems Pty Ltd 53. Reef Networks Pty Ltd 54. Satellite Platform Investment Pty Ltd 55. Sibalo Pty Ltd	

Additional Information on Directors Seeking Re-Election

As at 19 March 2024

Name of Director	Mr Lim Sim Seng	Dr Lu Liangjian David	Mr Lew Yoong Keong Allen	Dr Sarah Lu Qinghui
OTHER PRINCIPAL COMMITMENTS INCLUDING DIRECTORSHIPS (CONT'D)				
Past (for the last 5 years)			56. SIMPlus Mobile Pty Ltd 57. Source Integrated Networks Pty Ltd 58. The Net Effect Pty Ltd. 59. Ubowireless Pty Ltd 60. UE Access Pty Ltd 61. UE Vialight Pty Ltd 62. Uecomm Operations Pty Ltd 64. Uecomm Share Plans Custodian Pty Ltd 65. Unite.Com Pty Ltd 66. Unwired Australia Pty Ltd 67. Vanilla Shelf Co No. 2 Pty Ltd 68. Virgin Mobile (Australia) Services Pty Ltd 69. Virgin Mobile Pty Ltd 70. Vividwireless Group Ltd 71. Vividwireless Pty Ltd 72. VR Music TV Pty Ltd 73. World Wide Web Pty Ltd 74. XY Zed LMDS Pty Ltd 75. XYZed LMDS Holdings Pty Ltd 76. DSpark Pty Ltd 77. Optus Australia Investments Pty Ltd 78. Optus Digital Life Australia Investments Pty Ltd 79. Optus ICT Investments Pty Ltd 80. Singtel Services Australia Pty Ltd (in liquidation) 81. Singtel Optus Pty Ltd 82. Singapore Telecom Australia Investments Pty Ltd 83. Optus C1 Satellite Pty Ltd 84. Optus Satellite Pty Ltd	

Additional Information on Directors Seeking Re-Election

As at 19 March 2024

Name of Director	Mr Lim Sim Seng	Dr Lu Liangjian David	Mr Lew Yoong Keong Allen	Dr Sarah Lu Qinghui
OTHER PRINCIPAL COMMITMENTS INCLUDING DIRECTORSHIPS (CONT'D)				
Past (for the last 5 years)			85. Optus Satellite Network Pty Ltd 86. Optus Wholesale Pty Ltd 87. Optus Vision Pty Ltd 88. Optus Vision Media Pty Ltd 89. Singtel Australia Holding Pte Ltd	
Present	1. DBS Securities (Japan) Co., Ltd. 2. DBS Vickers Securities Holdings Pte Ltd (Chairman) 3. Singapore Technologies Engineering Ltd (Non-Executive and Independent Director) 4. IOI Properties Group Bhd (Non-Executive and Independent Director) 5. Building and Construction Authority (Chairman and Non-executive Board Member) 6. High Commissioner (Non Resident) to the Federal Republic of Nigeria	1. S & D Holdings Pte Ltd	1. Certis Cisco Security Pte Ltd (Chairman) 2. Citibank Singapore Limited (Non-Executive and Independent Director)	1. S & D Holdings Pte Ltd
Information required under items (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST	The responses under items (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST issued previously for appointment as a new Director ie. "No" remain unchanged.			
Date of SGXNet Announcement of Appendix 7.4.1 Information	31/7/2023	31/7/2023	28/10/2020	20/2/2018

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RafflesMedicalGroup

Company Registration No. 198901967K
(Incorporated in Singapore)

ANNUAL GENERAL MEETING
PROXY FORM

IMPORTANT:
(a) For investors holding shares of Raffles Medical Group Ltd through relevant intermediaries (as defined under Section 181 of the Companies Act 1967), including CPF/SRS investors, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors should approach their relevant intermediary as soon as possible to specify their voting instructions. CPF/SRS investors should approach their respective CPF agent banks or SRS operators by Tuesday, 16 April 2024, 5.00 p.m. Singapore time to ensure that their votes are submitted.
(b) By submitting this Proxy Form, a member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 3 April 2024.
(c) Please read the notes to the Proxy Form which contain instructions on, *inter alia*, the appointment of a proxy to attend, speak and vote on a member's behalf at the AGM.

I/We, ______________________________ (Name) ______________________________ (NRIC/Passport/Co Reg No.)

of ____ (Address)

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

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

and/or (delete as appropriate)

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf, at the 35th Annual General Meeting (**AGM**) of the Company to be held at **Rooms 324 to 326, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593** on **Friday, 26 April 2024 at 3.30 p.m.** and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting on his/her/their discretion. If no person is named in the above boxes, the Chairman of the AGM shall be my/our proxy to vote for or against the resolutions to be passed at the AGM as indicated below, for me/us on my/our behalf at the AGM and at any adjournment of the AGM. If no specific direction as to voting in respect of a resolution is given when the Chairman of the AGM is appointed as my/our proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

No.	Resolutions	For*	Against*	Abstain*
ORDINARY BUSINESS – ORDINARY RESOLUTIONS				
1.	Adoption of the Directors' Statement and Audited Financial Statements for the year ended 31 December 2023 and Auditors' Report thereon			
2.	Approval of a one-tier tax exempt final dividend of 2.4 Singapore cents per share for the year ended 31 December 2023			
3.	Approval of Directors' Fees comprising up to S$527,000 and up to 1,600,000 Share Options for the year ended 31 December 2023			
4.	Re-election of Mr Lim Sim Seng, who is retiring in accordance with Regulation 92 of the Company's Constitution			
5.	Re-election of Dr Lu Liangjian David, who is retiring in accordance with Regulation 92 of the Company's Constitution			
6.	Re-election of Mr Lew Yoong Keong Allen, who is retiring by rotation in accordance with Regulation 93 of the Company's Constitution			
7.	Re-election of Dr Sarah Lu Qinghui, who is retiring by rotation in accordance with Regulation 93 of the Company's Constitution			
8.	Re-appointment of KPMG LLP as Auditors and fixing their remuneration			
SPECIAL BUSINESS – ORDINARY RESOLUTIONS				
9.	Authority to Allot and Issue Shares			
10.	Authority to Allot and Issue Shares Under the Raffles Medical Group Share-Based Incentive Schemes			
11.	The Proposed Renewal of Share Buy Back Mandate			
12.	Authority to Issue Ordinary Shares Pursuant to the Raffles Medical Group Ltd Scrip Dividend Scheme			

* Voting will be conducted by poll. If you wish to exercise all your votes "For", "Against" or "Abstain" the relevant resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise some and not all your votes "For", "Against" or "Abstain" the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this __________ day of ______________, 2024

Total Number of Shares Held (Please see Note 1)

____
Signature of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Fold this Flap for sealing. Glue firmly

Notes to Proxy Form:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the Proxy Form shall be deemed to relate to all the shares held by you (in both the Depository Register and the Register of Members).

2. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors. CPF/SRS investors who wish to appoint a proxy should contact their respective CPF agent banks or SRS operators by **Tuesday, 16 April 2024, 5.00 p.m. Singapore time** to submit his/her votes.

3. The Proxy Form (together with the power of attorney, if any, under which it is signed or a notarially certified copy thereof) must be deposited with the Company in the following manner:

   (a) via post, to be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or

   (b) via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at rmgagm2024@boardroomlimited.com (by enclosing a clear scanned complete and signed Proxy Form), and

   in either case, must be received by the Company no later than **Tuesday, 23 April 2024, 3.30 p.m. Singapore time**, being 72 hours before the time appointed for the holding of the AGM.

4. A proxy need not be a member of the Company. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where a Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (in the absence of previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

5. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of members whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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Affix Postage Stamp

Raffles Medical Group Ltd
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

Fold Here

RafflesMedicalGroup

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