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## 37<sup>th</sup> ANNUAL GENERAL MEETING RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

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The Board of Directors and Management would like to thank all shareholders and the Securities Investors Association (Singapore) (**SIAS**) for their questions submitted in advance of our Annual General Meeting (**AGM**) to be held at Rooms 324 to 326, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Friday, 24 April 2026 at 3.30 p.m. (Singapore Time).

We have consolidated the substantial and relevant questions received into the following key topics.

- A. Performance of the Group
- B. Unlocking Value
- C. Group's China Business
- D. **RafflesHealthInsurance**
- E. RMG's Internal Audit
- F. Other Matters

Due to overlap in the questions received, we have condensed multiple similar questions under each topic. Our responses to the questions are set out in the following pages.

Please refer to all AGM related documents at the following website:

<https://www.rafflesmedicalgroup.com/investor-relations/upcoming-Events/annual-general-meeting>

Following the conclusion of the AGM, the voting results of the AGM will be uploaded on SGXNet and the Company's website.

### By Order of the Board

Kimmy Goh  
Company Secretary  
18 April 2026

## 37<sup>th</sup> Annual General Meeting – Questions & Answers

### A. Performance of the Group

1. The Company's share price has remained relatively stagnant compared to the broader market over the past 12 months. In addition, the Group's investments in markets such as Vietnam require patient capital. How does management respond to shareholders who are seeking improved returns and dividends, and what is the expected timeline for delivering these outcomes?

What measures is management taking to accelerate the performance and returns from its investments?

Has the Board considered bringing in additional or alternative management expertise to enhance execution and performance?

#### RMG's Response

As the Group celebrates our 50<sup>th</sup> Anniversary this year, we are reminded of our purpose as a healthcare provider of doing our best for our patients, our corporate clients and partners. By 1<sup>st</sup> August 2026, we should have served our patients 50 million times. Most of these are routine consultations but quite a few care episodes are matters of life and death. All our physicians, nurses, and healthcare managers try our best to add value to our patients each and every time we serve them.

The quality of our care and service is what defines the *RafflesMedicalGroup*. For these reasons, we need to take a longer term view of our business rather than seeking to maximise short term profit. We believe that by doing the right things for our patients, sustainable value will be created.

Our overseas investments generally require more time to build scale, patient volumes, and clinical capabilities before delivering stronger returns. While we work upon initiatives that can deliver nearer-term impact, we also focus on longer term operational efficiency, increasing utilisation, and strengthening margins.

*RafflesHospitalSingapore* similarly incurred losses during the initial years but has been producing good returns these last twenty-three years and has created immense value for the Group.

#### **Group's Performance (2019 to 2025)**

	2019	2020	2021	2022	2023	2024	2025	2019-2025	
Revenue ['\$'000]	522,038	568,203	723,791	822,916	706,920	751,564	765,299		
Revenue Year-on-Year	-	8.8%	27.4%	13.7%	-14.1%	6.3%	1.8%	6.6%	CAGR
Profit After Tax (PAT) ['\$'000]	60,522	64,670	83,716	143,400	91,090	62,282	71,071		
PAT Margin	11.6%	11.4%	11.6%	17.4%	12.9%	8.3%	9.3%	11.8%	Average

The table above shows that the Group has grown its revenue by 6.6% CAGR (Compound Annual Growth Rate) during the pre-COVID and COVID years. Prior to the pandemic, the Group's revenue was below \$570 million. With the cessation of COVID-related activities since 2022, the Group has been growing its regular healthcare activities to above \$700 million.

## B. Unlocking Value

2. In light of the increasing focus on value unlocking initiatives, including those encouraged by the government, what steps is the Group taking in this regard, and what can shareholders expect from *RafflesMedicalGroup*?

### RMG's Response

The Board of Directors is committed to rewarding shareholders while balancing capital needs and supporting the Group's continued growth.

We remained committed to delivering shareholder value. We have previously declared that **at least 50%** of sustainable PATMI (Profit after Tax and Minority Interests) will be paid out as dividends, instead of **up to 50%** of sustainable PATMI. For FY2025, the Board has proposed a dividend of 3.0 Singapore cents per share, up 20% year-on-year, and a payout ratio of about 84% of sustainable PATMI.

As part of our capital management plan, we are buying back up to 100 million *RafflesMedicalGroup* shares. As of 17 April 2026, 20.1 million shares have been repurchased from the market.

We appreciate your patience and we assure shareholders that we remain focused on delivering sustainable returns over time.

## C. Group's China Business

3. Over the past five years, the Group's revenue has remained broadly flat, ranging between \$700 million to \$830 million. For FY2025, revenue was \$765.3 million, marginally above five-year average of \$754.1 million.

Geographically, revenue from Greater China increased from \$40.0 million in FY2019 to \$65.4 million in FY2025, a modest outcome considering the ramp-up of two hospitals that commenced operations in 2019 and 2021. Growth has slowed in recent years and appears to be plateauing. Based on asset values, the Group's Singapore asset base is approximately 2.2 times that of its China assets, yet Singapore revenue is 10.4 times China revenue. This suggests a significant disparity in asset productivity between the two markets.

The China business accounts for about 30% of the company's assets but 10% of revenue. Could management advise what are the challenges being faced and what steps are being taken to improve the situation?

- (i) Can management provide a detailed breakdown of the financial performance of the China hospitals, including revenue, EBITDA and utilisation rates? How do the current utilisation levels compare with breakeven thresholds and targeted returns?
- (ii) What are the key constraints limiting further growth, including pricing dynamics, patient mix, insurance coverage and reimbursement participation, competition from public hospitals and regulatory factors? Is the group facing a fundamental shift where the value proposition of private healthcare is being squeezed by improved public sector healthcare quality?
- (iii) How does management assess the long-term attractiveness of the China private healthcare market?

### RMG's Response

China is an important growth market for the Group. The senior management has watched the liberalisation and development of the private healthcare market for more than 30 years before considering venturing there. China is still growing albeit at a slower pace of 4 ~ 5%. There are geopolitical and technological challenges to its growth.

However, China remains an enormous private healthcare market where 30% of the population can afford better healthcare. They wish to gain better health and enjoy more personalised healthcare services for themselves and their family members. In Beijing, Shanghai and Chongqing where we have Raffles Hospitals, the addressable market in each of these cities is in excess of 6 million people - the same size as the population of Singapore.

**RafflesHospitalChongqing** which was opened in 2019, was a brownfield project, where we converted a planned public hospital into a large private hospital in a new upmarket residential area. **RafflesHospitalShanghai** was a greenfield project in Pudong, Qiantan and operations began in 2021 in the midst of the COVID pandemic.

**RafflesHospitalBeijing** is an expanded medical centre refurbished with additional space for inpatient services, operating theatres and comprehensive imaging and laboratory facilities as well as more ambulatory facilities.

As China recovers from the COVID restrictions in 2023, the team has been building brand awareness, mindshare and new clinical services. It is developing partnerships with international and local health insurers as well as life insurers.

## C. Group's China Business (cont'd)

### 3. RMG's Response (cont'd)

Beside serving international expatriate families, our hospitals are increasingly serving Chinese patients and their families. The majority of our patients are Chinese nationals in *RafflesHospitalShanghai* and *RafflesHospitalChongqing*. In *RafflesHospitalBeijing*, Chinese nationals form the largest single nationality group. This is an encouraging sign of local patient acceptance and recognition of the *Raffles* standard of service and care.

Both our Shanghai and Chongqing Raffles Hospitals have obtained the access to the local government Yibao (医保) insurance to claim some of the expenses for our patients who are eligible.

The question on general growth of the Group is addressed in the answer on general performance of the Group (2019 to 2025) above.

## D. RafflesHealthInsurance

4. The insurance segment recorded revenue growth of 4.1% to \$185.2 million, driven by contract repricing and new business. Despite this, the segment remains loss-making, with losses narrowing to \$(3.1) million in 2025 from \$(6.3) million a year ago.

At the same time, regulatory changes have been made by the Ministry of Health to private healthcare insurance, including revisions to Integrated shield plans riders effective 1 April 2026, to curb over-consumption and improve the sustainability of healthcare financing.

- (i) How is the Group affected in the insurance segment by regulatory changes, particularly in terms of new policy sign-ups, patient behaviour, claims patterns, and pricing?
- (ii) To what extent does the integrated healthcare and insurance model provide a sustainable competitive advantage over health insurers?
- (iii) What scale or key operating metrics are required for the insurance segment to achieve breakeven, and what are the main operational priorities in 2026 to reach that point?

### RMG's Response

The Group notes the regulatory changes to Integrated Shield Plan (IP) riders implemented by the Ministry of Health with effect from 1 April 2026, including the removal of full deductible coverage and higher co-payment caps. These measures are intended to encourage more prudent healthcare services consumption and help moderate healthcare cost inflation over time.

The Group's insurance operation is primarily focused on employee benefits solutions for corporate clients. The rider-related plans represent a small portion of the Group's insurance portfolio. As such, these regulatory changes are not expected to have a material impact on the Group.

More broadly, these changes should influence insured's behaviour and contribute to greater cost discipline and more prudent healthcare service utilisation across the system over time. The Group will continue to monitor developments in the regulatory environment and adopt a prudent approach to underwriting, pricing and claims management.

The Group's integrated healthcare and insurance model is designed to enhance care coordination, improve patient experience and support more effective cost management across the care continuum.

RHI's key value proposition lies in enabling seamless care within the **RafflesMedicalGroup** ecosystem, where policyholders benefit from smoother navigation of services, better continuity of care and more efficient claims processing through digital platforms such as the **RafflesConnect** App. By integrating care delivery with insurance administration, the Group is able to align clinical management, utilisation and claims processes more closely, supporting both cost efficiency and improved health outcomes.

At the same time, the insurance industry remains highly competitive and subject to regulatory oversight. While this model provides certain operational and strategic advantages, the sustainability of any competitive advantage will depend on disciplined execution, appropriate scale and the Group's continued ability to deliver value to policyholders.

## D. RafflesHealthInsurance (cont'd)

### 4. RMG's Response (cont'd)

As with most insurance businesses, achieving breakeven is dependent on attaining sufficient scale, maintaining a balanced risk pool, and achieving stable claims experience over time.

In 2026, the Group's operational priorities include growing the policyholder base in a measured manner, strengthening underwriting discipline, enhancing claims management, and improving operational efficiency. The Group remains focused on building a sustainable insurance platform over the longer term.

**RafflesHealthInsurance (RHI)** has been a MAS regulated insurance company since 2004.

The recent losses from excessive claims from fraud, waste and abuse is faced by the whole health insurance industry. RHI's losses have been reducing as we increase our vigilance to such practices. In fact, our fully integrated healthcare insurance has enabled us to better reduce these fraud, waste and abuse, so as to continuing protecting our insured with lower premiums.

## **E. RMG's Internal Audit**

5. The Group has an in-house internal audit function led by a Certified Internal Auditor. The internal audit function operates in accordance with the Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. It operates within the framework stated in its IA Charter, which is approved by the Audit & Risk Committee (ARC).
- (i) Can the ARC provide details on the size, structure and seniority of the internal audit team, and how this is assessed to be adequate relative to the Group's operational complexity and geographic footprint?
  - (ii) How is internal audit work carried out across the Group's operations in China, Japan, Cambodia and Vietnam? Does the Group maintain dedicated in-country teams, or are audits conducted through planned periodic visits by a centralised IA team from Singapore?
  - (iii) What was the scope of the internal audit and what were the key findings in 2025?

### **RMG's Response**

The Group maintains an in-house Internal Audit function led by a Certified Internal Auditor and supported by personnel with appropriate experience and competencies within Singapore. In addition, the Group has locally-based internal auditors in China and supplemented by external consultants, covering key overseas operations (for example, in Indochina). This approach, under the oversight of the Head of Internal Audit, ensures consistency in audit methodology across all locations. The Internal Audit function will also progressively harness AI-enabled tools to enhance audit effectiveness and productivity.

The structure and resourcing of the Internal Audit function are reviewed periodically by the ARC to ensure alignment with the Group's operational complexity and geographic footprint. The adequacy of the Internal Audit function is assessed based on a risk-based audit plan, coverage of key risk areas, and its ability to provide independent assurance over the effectiveness of the Group's internal controls, governance, and risk management processes. This is reviewed and approved annually by the ARC. The audits performed cover key areas across the Group's operations, including financial, operational, compliance, information technology, sanctions/ climate-related and cyber-security controls.

Based on the audits conducted, no material weaknesses in the Group's system of internal controls were identified. Appropriate remediation actions have been implemented, with follow-up reviews conducted regularly to ensure timely resolution.

## F. Other Matters

6. **What was the rationale for selecting Dhaka over Malaysia for the establishment of a representative and liaison office?**

### **RMG's Response**

We adopt a disciplined, demand-driven approach to market selection. Our entry decisions are guided by detailed analysis of patient flows into Singapore, particularly the volume of patients seeking treatment here from each market. Locations such as Dhaka stand out due to the strong and consistent outbound demand for quality healthcare, which aligns well with our value proposition. Establishing a presence there, including through representative offices, allows us to be closer to our target patient base and better serve their medical needs.