



KPMG LLP
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

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 2025, 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 material accounting policy information as set out on pages FS1 to FS83.

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 2025 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), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill

(Refer to note 5 to the financial statements)

The Group has goodwill with a carrying value of \$7,749,000 (2024: \$8,210,000) as at 31 December 2025. During the year, the Group has recognised impairment losses of \$ 316,000 (2024: \$2,600,000). 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 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 used.

Our response

We assessed the appropriateness of management's identification of the CGUs, considering our understanding of the Group's business, its operations and structure.

We reviewed key assumptions used in the cash flow projection including the revenue growth rate by performing a retrospective review against actual results; for the terminal growth rate, we assessed against market trends for comparability. We reviewed the appropriateness of key assumption used by the Group in its impairment testing comprising the discount rate by independently deriving the applicable discount rates using the weighted average cost of capital method and compared it to the discount rates used by management.

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 \$233,600,000 (2024: \$246,100,000) as at 31 December 2025.

The investment properties are stated at their fair values based on independent external valuations. The valuation process 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 fair value of the investment properties.

Our response

We evaluated the qualifications and independence 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 for similar property types. We tested the accuracy of inputs of the projected cash flows used in the valuation to supporting leases and other documents. We compared the capitalisation, discount and terminal capitalisation rates used in the valuations against historical rates and available industry data, taking into consideration comparability and market factors.

Valuation of property, plant and equipment
(Refer to note 4 to the financial statements)

As at 31 December 2025, the carrying amount of property, plant and equipment amounted to \$741,397,000 (2024: \$748,248,000), which includes the Group's hospitals in China. The Group's policy is to carry property, plant and equipment at cost less accumulated depreciation and accumulated impairment losses.

The Group has identified impairment indicators in the China hospitals. Accordingly, management has estimated the recoverable amounts of these hospitals based on independent external valuations.

The impairment assessment involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. Any changes in the assumptions will have an impact on the recoverable amounts of these hospitals.

Our response

We evaluated the qualifications and independence of the external valuer and held discussions with the valuer to understand their valuation methods and assumptions used. We assessed the appropriateness of the valuation methodologies and evaluated reasonableness of key assumptions used by the independent external valuers, and compared the assumptions and parameters used to externally derived data. Where appropriate, we also involved our in-house valuation specialists to assist us in the assessment.

Valuation of insurance contract liabilities and recognition of loss component on onerous contracts
(Refer to notes 3.10 and 16 to the financial statements)

The Group's insurance contract liabilities as at 31 December 2025 amounted to \$64,615,000 (2024: \$78,201,000), which constitutes 17.3% (2024: 18.4%) of the Group's total liabilities as at 31 December 2025. 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. For insurance contracts that have coverage more than 12 months, it also involves judgements for determining the appropriateness of their contract boundaries.

Our response

We obtained an understanding of the actuarial process, including models changes and assumptions setting by evaluating management's assessment on PAA eligibility and methods for measurement of LIC, LRC and LC for onerous groups of contracts.

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. In respect of the valuation methodologies and assumptions, our assessment included:

- Obtaining an understanding of and perform procedures 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; and
- Challenging the key assumptions used by management against past experiences and market observable data (if any) and our experience of market practice.

We tested management's onerous contract assessments, including evaluating their significant assumptions and appropriateness of contract boundary determination against relevant supporting information.

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 in-force business are adequate in the context of a valuation on current best estimate assumptions.

We evaluated management's reconciliation of the valuation of insurance contract liabilities in the Actuarial Report by the Appointed Actuary for the purposes of regulatory reporting to their valuation basis under SFRS(I) 17.

We assessed the appropriateness of the presentation and disclosures in the consolidated financial statements, with regards to the liability for incurred claims, liability for remaining coverage and loss component considering the requirements of SFRS(I) 17.

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 and will 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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, 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.

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Ms Shelley Chan Hoi Yi.

A handwritten signature in blue ink, appearing to read 'KPMG LLP'.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
21 February 2026