
MINUTES OF 34TH ANNUAL GENERAL MEETING

Minutes of the 34th Annual General Meeting of Raffles Medical Group Ltd held at Rooms 324 to 326, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Friday, 28 April 2023 at 3.30 p.m.

Present

Chairman	:	Dr Loo Choon Yong
Directors	:	<i>In Attendance:</i> Mr Eric Ang Teik Lim, Lead Independent Director Mr Lew Yoong Keong Allen, Independent Director and Chairman of the Audit & Risk Committee Mr Png Cheong Boon, Independent Director and Chairman of the Nomination & Compensation Committee Mr Tan Wern Yuen, Independent Director Ms Chong Chuan Neo, Independent Director Mr Tan Soo Nan, Executive Director Dr Sarah Lu Qinghui, Executive Director <i>Absent with apologies:</i> Professor Joseph Sung Jao Yiu, Independent Director Mr Olivier Lim Tse Ghow, Non-Executive and Non-Independent Director
Chief Financial Officer (CFO)	:	Ms Sheila Ng
Group Financial Controller (GFC) / Company Secretary	:	Mrs Kimmy Goh
Company Secretary	:	Ms Jessica Soo
Auditors	:	Ms Karen Lee Shu Pei, KPMG LLP Ms Kung Sheue Fei, KPMG LLP
Lawyers	:	Mr Kevin Ho, WongPartnership LLP Mr Jeremiah Ngiam, WongPartnership LLP Mr Kelvin Tan, WongPartnership LLP
Other Attendees	:	As set out in the attendance records maintained by the Company

A. FY2022 Financial Results

Prior to the commencement of the Annual General Meeting (**AGM**), Ms Sheila Ng, CFO, gave a presentation on the results for the financial year ended 31 December 2022.

B. Opening

Quorum

On behalf of the Board of Directors, the Chairman welcomed the shareholders of the Company (**Shareholders**) in attendance at the Meeting. With the presence of the requisite quorum, the Chairman called the Meeting to order and declared the AGM opened.

Notice and Proposed Resolutions

The Notice of AGM dated 5 April 2023 (**Notice of AGM**) together with the FY2022 Annual Report had been disseminated to all Shareholders via SGXNet and the Company's website. For expeditious conduct of the proceedings, the Chairman proposed that the Notice of AGM be taken as read and further informed the Meeting that the Company proposed to withdraw Resolution 12 listed in the Notice of AGM.

The Chairman requested a show of hands from Shareholders who objected to the above proposals.

After noting that there were no objections from Shareholders on the withdrawal of Resolution 12, the Chairman informed the Meeting that, in his capacity as Chairman of the Meeting, he had been appointed as proxy by Shareholders who had directed him to vote for, vote against, and/or to abstain from voting on, the resolutions tabled at the Meeting (**Resolutions**). Accordingly, he would propose the 11 Resolutions and all instructions on voting for the 11 proposed Resolutions had been electronically recorded into the polling system as so directed.

Procedures for Voting

All valid proxy forms received by the Company by the deadline for the depositing of proxy forms, as specified in the Notice of AGM, had been accounted for and verified by Agile 8 Solutions Pte. Ltd., the appointed scrutineers for the AGM (**Scrutineers**).

Where particular Shareholders were required to abstain from voting in respect of certain Resolutions, as detailed in the explanatory notes to the Notice of AGM, the Scrutineers had also taken such abstention into account in their verification. The Directors standing for re-election had each voluntarily abstained from voting on the Resolution pertaining to their own re-election.

A video presentation on the poll voting process was shown at the start of the Meeting and the process was further demonstrated through a test resolution. Shareholders were informed that they could cast their votes during the course of the Meeting until polling was declared closed.

C. Resolutions

ORDINARY BUSINESS

Resolution 1

Adoption of the Directors' Statement and Audited Financial Statements for the year ended 31 December 2022 and Auditors' Report thereon

The Chairman proposed to receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December 2022 together with the Auditors' Report thereon.

Resolution 2

Approval of a one-tier tax exempt final dividend of 3.8 Singapore cents per share for the year ended 31 December 2022

The Chairman proposed to declare a one-tier tax exempt final dividend of 3.8 Singapore cents per share for the year ended 31 December 2022.

Resolution 3

Approval of Directors' Fees of S\$505,500 for the year ended 31 December 2022

The Chairman proposed the approval of Directors' Fees of S\$505,500 for the year ended 31 December 2022 (2021: S\$564,650).

Resolution 4

Re-election of Dr Loo Choon Yong, who is retiring by rotation in accordance with Regulation 93 of the Company's Constitution

The Chairman proposed the re-election of Dr Loo Choon Yong, who was retiring by rotation pursuant to Regulation 93 of the Company's Constitution, as Director of the Company.

Resolution 5

Re-election of Mr Tan Soo Nan, who is retiring by rotation in accordance with Regulation 93 of the Company's Constitution

The Chairman proposed the re-election of Mr Tan Soo Nan, who was retiring by rotation pursuant to Regulation 93 of the Company's Constitution, as Director of the Company.

Resolution 6

Re-election of Mr Olivier Lim Tse Ghow, who is retiring by rotation in accordance with Regulation 93 of the Company's Constitution

The Chairman proposed the re-election of Mr Olivier Lim Tse Ghow, who was retiring by rotation pursuant to Regulation 93 of the Company's Constitution, as Director of the Company.

Resolution 7

Re-appointment of KPMG LLP as Auditors and fixing their remuneration

The Chairman proposed the re-appointment of KPMG LLP as Auditors and that authority be given to the Directors to fix their remuneration.

C. Resolutions (cont'd)

SPECIAL BUSINESS

Resolution 8

Authority to Allot and Issue Shares

The Chairman proposed that authority be given for the Directors to allot and issue shares and convertibles securities, as set out in the Notice of AGM.

Resolution 9

Authority to Allot and Issue Shares Under the Raffles Medical Group Share-Based Incentive Schemes

The Chairman proposed that authority be given for the Directors to grant awards and/or options pursuant to the Raffles Medical Group (2020) Performance Share Plan and the Raffles Medical Group (2020) Share Option Scheme, as set out in the Notice of AGM.

Resolution 10

The Proposed Renewal of Share Buy Back Mandate

The Chairman proposed that approval be given for the renewal of the Share Buy Back Mandate as set out in the Notice of AGM.

Resolution 11

Authority to Issue Ordinary Shares Pursuant to the Raffles Medical Group Ltd Scrip Dividend Scheme

The Chairman proposed that authority be given to the Directors to allot and issue Ordinary Shares pursuant to the Raffles Medical Group Ltd Scrip Dividend Scheme as set out in the Notice of AGM.

The Chairman informed the Meeting that the full text of the Resolutions and the relevant explanatory notes were set out in the Notice of AGM and further details on Resolution 10 were set out in Appendix A to the Notice of AGM, which may be downloaded from the Company's website and SGXNet.

D. Question and Answer Session

Shareholders had been given the opportunity to submit questions in advance of the AGM. The Company had addressed questions from Shareholders received by the deadline for submission, through publication of its response on SGXNet and the Company's website, on 21 April 2023.

After tabling Resolutions 1 to 11 at the Meeting, the Chairman opened the floor to Shareholders to ask questions on the proposed Resolutions.

There were comments from Shareholders complimenting the Company on the good set of results. The Chairman also noted the feedback that some Shareholders would prefer to receive physical copies of the annual report as it was less convenient to refer to digital copies of the report.

Questions from the Shareholders on the proposed Resolutions and the Company's responses are summarised at [Appendix A](#).

E. Polling Results

After all questions raised by Shareholders on the proposed Resolutions had been answered, Shareholders and the appointed proxies were given further time to cast their final votes.

Following verification of the votes by the Scrutineers, the Chairman announced the results of the poll on each of the Resolutions, which are set out below:

Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
ORDINARY BUSINESS					
<u>Resolution 1</u> Adoption of the Directors' Statement and Audited Financial Statements for the year ended 31 December 2022 and Auditors' Report thereon	1,413,902,445	1,411,080,413	99.80%	2,822,032	0.20%
<u>Resolution 2</u> Approval of a one-tier tax exempt final dividend of 3.8 Singapore cents per share for the year ended 31 December 2022	1,416,919,517	1,416,837,204	99.99%	82,313	0.01%
<u>Resolution 3</u> Approval of Directors' Fees of S\$505,500 for the year ended 31 December 2022	1,412,411,791	1,409,553,776	99.80%	2,858,015	0.20%
<u>Resolution 4</u> Re-election of Dr Loo Choon Yong, who is retiring by rotation in accordance with Regulation 93 of the Company's Constitution	1,216,181,675	1,194,039,569	98.18%	22,142,106	1.82%
<u>Resolution 5</u> Re-election of Mr Tan Soo Nan, who is retiring by rotation in accordance with Regulation 93 of the Company's Constitution	1,412,386,055	1,384,615,887	98.03%	27,770,168	1.97%

E. Polling Results (cont'd)

Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
<u>Resolution 6</u> Re-election of Mr Olivier Lim Tse Ghow, who is retiring by rotation in accordance with Regulation 93 of the Company's Constitution	1,416,912,504	1,251,709,776	88.34%	165,202,728	11.66%
<u>Resolution 7</u> Re-appointment of KPMG LLP as Auditors and fixing their remuneration	1,416,930,098	1,389,463,701	98.06%	27,466,397	1.94%
SPECIAL BUSINESS					
<u>Resolution 8</u> Authority to Allot and Issue Shares	1,417,008,416	1,178,690,242	83.18%	238,318,174	16.82%
<u>Resolution 9</u> Authority to Allot and Issue Shares Under the Raffles Medical Group Share-Based Incentive Schemes	1,417,018,197	1,112,177,612	78.49%	304,840,585	21.51%
<u>Resolution 10</u> The Proposed Renewal of Share Buy Back Mandate	1,416,827,020	1,416,722,472	99.99%	104,548	0.01%
<u>Resolution 11</u> Authority to Issue Ordinary Shares Pursuant to the Raffles Medical Group Ltd Scrip Dividend Scheme	1,417,109,938	1,414,023,300	99.78%	3,086,638	0.22%

Based on the polling results, the Chairman declared Resolutions 1 to 11 carried.

Closing

There being no other business, the Chairman closed the Meeting at 4.40 p.m. with a vote of thanks to all the Shareholders.

Approved by:

Dr Loo Choon Yong
Chairman
Raffles Medical Group Ltd

APPENDIX A

The Company's response to questions from shareholders on the Resolutions are summarised below. The questions and answers relate to Resolution 1 and have been paraphrased for easy reading. Due to considerations relating to the protection of personal data, the names of the Shareholders who posed questions have not been disclosed.

Please also refer to the Company's Responses to Substantial and Relevant Questions dated 21 April 2023 published on SGXNet and the Company's website, in reply to questions submitted by Shareholders prior to the AGM.

Resolution 1: Adoption of the Directors' Statement and Audited Financial Statements for the year ended 31 December 2022 and Auditors' Report thereon

- 1. With reference to page 192 of the FY2022 Annual Report, what led to the substantial increase profit margin in FY2022 for Healthcare Services, even with the tailing down of COVID-related activities? Are the margins expected to normalise as COVID-related activities decrease?**

Healthcare Services include insurance, managed care, GP clinic services and some COVID-related services (e.g. services relating to the vaccination centres). Better operating leverages generated by the high volume of operations in FY2022 translated into the profit margins that were realised for the Healthcare Services division.

The Group holds different streams of revenue to diversity income. The Group has guided previously that COVID-related services are expected to taper off and there will be some normalisation of margins. At the same time, the Group hopes to be able to maintain some of the operating leverages and improve on the historical normalised margins for the Group's traditional business under Healthcare Services as well as the other divisions.

- 2. With reference to page 167 of the FY2022 Annual Report, what accounts for the accrued operating expenses of S\$145 million?**

Given the size of the Group, staff costs is a large component of operating costs, and the accrued operating expenses include bonuses and future payments to staff. Other accruals relate to operating expenses incurred in the ordinary course of business that are not paid as at the end of the financial year (e.g. sub-contractor and vendor expenditures that are not yet due for payment).

- 3. How will the Group be coping with inflationary, manpower and other cost pressures going forward?**

Many businesses will face cost pressures in the coming years. The management team have experience dealing with different challenges, especially in times of crises, and responding quickly to arrest any adverse effect on the business. Healthcare personnel shortage is a global issue and the Group has a unit dedicated to recruiting healthcare personnel which has been working on alleviating difficulties in hiring and retaining nurses in recent years. The fact that the Group is in cash position also means that the impact of high interest rates would be less of a concern.

4. What does the Group expect in terms of growth for the Transitional Care Facility (TCF) post-COVID, given that there are community hospitals that also provide similar step-down care? Will there be further involvement in other semi-permanent healthcare centres to help the government meet the needs of the population?

The Group will continue to assist the government in freeing up space in the acute hospitals as the nation manages the needs of an aging population. TCFs could continue to play a role as step-down facilities in addition to the more permanent community hospitals. This is not a targeted growth area for the Group but would contribute towards a bigger scale of operations.

5. How has the Group's insurance business contributed to the Group?

Raffles Health Insurance (RHI), the Group's insurance arm, offers personal lines as well as employee insurance schemes for corporates. Through providing healthcare insurance for persons insured with RHI, and availing them of the Group's medical services covered under RHI's policies, the Group is able to leverage its cost advantage as the owner of the medical facilities providing care to RHI's insured persons.

6. With regard to the Group's China business:

a. When does the Group expect its China business to become profitable?

The Group had previously provided guidance on EBITDA losses for the Group's China hospitals in the initial years. Additionally, the pandemic had disrupted China's operations quite significantly. China's zero-tolerance policy for COVID-19 resulted in operating constraints on the Group's China hospitals for most of FY2022, with Raffles Hospital Shanghai being most affected by the lockdowns in its first full year of operations. Various cities also implemented sporadic lockdowns and patients and staff were unable to seek treatment at our China hospitals as a result.

Raffles Hospital Beijing has returned to profits this year. Without the constraints of COVID-19, Raffles Hospital Shanghai and Raffles Hospital Chongqing are expected to perform better in FY2023.

b. What is the approach for overcoming challenges and improving the performance of the China operations? Are there plans for further expansion and would a capital partner or equity raising exercise be required? Are the China hospitals targeting the expatriate market and are local Chinese receptive of western medicine?

Healthcare in China is very heavily regulated. On top of regulatory hurdles and having to deal with a complex business environment, there is the challenge of recruiting people who are a good fit for the Group's culture and values.

The Group has a good team on the ground building on capabilities to operate successfully in China despite these challenges, and will work on increasing profitability and return on investment before considering further expansion in China. Unless suitable opportunities to acquire assets arise, there is no need to raise capital for the time being as the Group is in a net cash position.

The Group is already serving most of the expatriate market in the cities where it operates and hopes to target the local affluent. Its China hospitals have also gained traction among local Chinese, who are generally receptive of western medicine but may be resistant towards foreign hospitals. At Raffles Hospital Chongqing, patients are able to utilise the basic health insurance provided by the government, although the hospital is required to charge controlled prices when patients claim under such insurance. The Group's China hospitals also support local government initiatives and will continue to explore opportunities to increase its market share among the local Chinese.

c. What is the percentage of local Chinese among the doctors practising in the China hospitals? How do the doctors in Singapore and China work together?

The Group has more expatriate doctors in Beijing and Shanghai, while most of the doctors in Chongqing are local Chinese.

The Group's doctors in China and Singapore work with each other to share knowledge and collaborate on webinars as well as other cross-border activities to engage patients and communities in both territories.

d. Are the China operations fully owned by the Group and reflected in the Group's consolidated financial results?

The Group's China operations' results were consolidated into the Group's results in accordance to its shareholdings. Details of the Group's shareholdings in its various subsidiaries, including those in China, are set out in pages 195-200 of the FY2022 Annual Report.