



Securities Investors Association (Singapore)

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UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: Raffles Medical Group Ltd

Stock code: BSL

Meeting details:

Date: 26 June 2020

Time: 10.30 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Q1. On 27 April 2020, the company provided shareholders with an update on the group's response to the COVID-19 pandemic.

It was disclosed that some of the group's clinics in China had been instructed by the local authorities to close. The group's hospital in Chongqing has to operate with a significantly smaller patient load as the movement of people was curtailed whereas in Singapore, the travel ban on foreigners affected the number of foreign patients seeking treatment at Singapore's hospitals.

In response to these challenges, the group's physicians and nurses in China and Singapore switched to telemedicine and delivery of medications, where appropriate, to continue to help patients.

- (i) **As medical professionals, how does the group expect the pandemic to play out?**
- (ii) **Have the group's strategic objectives been further finetuned as a result of the pandemic?**
- (iii) **In particular, as a response to the pandemic, would management be scaling up/down investments in any particular areas, for example, the medical tourism/foreign patients segment, telemedicine/teleconsultation?**

Q2. In addition, would the board/management provide shareholders with better clarity on the following operational/strategic matters? Specifically:

- (i) **Raffles Hospital Chongqing: What new/ground knowledge has management gained in the past year running RHCQ? What is the average profile of the patients at RHCQ?**
- (ii) **Raffles Hospital Shanghai: What are the main factors in determining the opening date for the new 400-bed international hospital in Shanghai?**
- (iii) **Gestation period and expansion plans: The gestation loss for RHCQ was \$9.2 million at the EBITDA level. With the pandemic, are both new hospitals expected to break-even much later than originally planned? In addition, what are the group's other expansion plans in China and in other countries?**
- (iv) **Raffles Shield: What is the uptake of Raffles Shield, the MediSave-approved Integrated Shield Plan?**

Q3. At the annual general meeting scheduled to be held on 26 June 2020, the company is proposing to adopt the Raffles Medical Group (2020) Performance Share Plan (“RMG PSP 2020”) and the Raffles Medical Group (2020) Share Option Scheme (“RMG ESOS 2020”).

The Raffles Medical Group (2010) Share Option Scheme expired on 30 April 2020.

- (i) **How effective was the RMG ESOS 2010 at achieving its intended objectives?**
The RMG ESOS 2010 was adopted to motivate participants to optimise performance standards and efficiency and to maintain a high level of contribution to the group; to retain key doctors, medical specialists/consultants and employees whose contributions are pivotal to the long-term growth and profitability of the group; to attract more potential doctors, medical specialists/consultants and employees with the relevant skills to contribute to the group in line with the group’s goals in expansion, amongst others.
- (ii) **What are the differences, if any, between the RMG ESOS 2020 and RMG ESOS 2010?**
- (iii) **In adopting more than one share plan, are there risks that this will lead to disproportionately large increases in share-based payments in the future?**
- (iv) Under the RMG ESOS 2010, independent directors were given as many as 1.6 million share options. **How does the board ensure that the issuance of share options would not over-compensate directors to the extent that their independence may be compromised?** (Practice Guidance 7: Level and mix of remuneration)

^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer’s website, through “live” webcast and on SGXNet.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can’t attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](http://www.sias.org.sg)

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[^] Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (<https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings>)