



# Vitality of Life

Vitality Of **Life**



**RafflesMedicalGroup**

585 North Bridge Road Raffles Hospital #11-00 Singapore 188770 Tel: (65) 6311 1111 Fax: (65) 6338 1318  
www.rafflesmedical.com

**RafflesMedicalGroup**

ANNUAL REPORT 2003



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# Directory

## RAFFLES HOSPITAL

585 North Bridge Road Singapore 188770  
www.raffleshospital.com

**General Enquiries** ..... 6311 1111  
**Fax** ..... 6311 2390  
**Email** ..... enquiries@raffleshospital.com

24 Hour Emergency ..... 6311 1555  
Family Medicine Centre ..... 6311 2233  
Admissions / Business Office ..... 6311 1888  
Raffles International Patients Centre ..... 6311 1666

Raffles Health Screeners ..... 6311 1222  
Physiotherapy Centre ..... 6311 1222  
Raffles Diagnostica  
• Clinical Laboratory ..... 6311 1760  
• Radiology ..... 6311 1290

## RAFFLES SPECIALIST CENTRE

**24 Hour Appointments Hotline** ..... 6311 1222  
**Fax** ..... 6311 2136  
**Email** ..... specialist@raffleshospital.com

- Raffles Aesthetics Centre
- Raffles Cancer Centre
- Raffles Children's Clinic
- Raffles Counselling Centre
- Raffles DentiCare
- Raffles Eye & ENT Centre
- Raffles Heart Centre
- Raffles Internal Medicine Centre
- Raffles Japanese Clinic
- Raffles Surgery Centre
- Raffles Women's Centre

## SINGAPORE CLINICS

Anchorpoint ..... 6479 3818  
Ang Mo Kio ..... 6453 2288  
Anson ..... 6225 2188  
Bedok ..... 6441 1736  
Bishan ..... 6456 7122  
Capital Tower ..... 6323 5212  
Causeway Point ..... 6894 0777  
Clementi ..... 6872 9043  
Compass Point ..... 6881 7337  
Grand Plaza ..... 6333 0551  
Hougang 809 ..... 6386 7896  
Jurong East ..... 6899 6688  
Lot 1 ..... 6765 3363  
Loyang Point ..... 6585 3333  
Marina Square ..... 6339 6644  
Marsiling ..... 6363 9000  
Millenia Walk ..... 6337 6000  
Ngee Ann City ..... 6734 7355  
Ogilvy Centre ..... 6223 1188  
OUB Centre ..... 6535 2222  
Raffles Airport Medical Centre  
• Airport Passenger Terminal Two ..... 6543 1118  
• Airport Transit One ..... 6543 1113  
• Airport Transit Two ..... 6543 1118  
• Changi Cargo Complex ..... 6543 1038  
Siglap ..... 6442 0488  
Suntec City ..... 6334 7667  
Tampines DBS ..... 6788 6833  
Tampines Junction ..... 6788 2222  
Toa Payoh Central ..... 6254 7667  
Yishun ..... 6755 0049

## HONG KONG CLINICS

Central  
Bank of America Tower ..... (852) 2525 1730  
Chek Lap Kok Hong Kong International Airport  
Passenger Terminal Building ..... (852) 2261 2626  
Aberdeen ..... (852) 2126 7664  
Penny's Bay ..... (852) 9101 7269

## INDONESIA REPRESENTATIVE OFFICE

General Enquiries ..... (62 21) 570 1919  
Fax ..... (62 21) 570 4974  
Email ..... rmgindo@cbn.net.id

## Vitality Of Life

Life is bursting with energy and verve, and it is our firm belief that good health is essential to enjoying life's rich experiences. To our patients and the community, we offer holistic care through three core areas: clinical services, hospital care and health supplements. We are not only dedicated to helping our patients recover from ailments; we want them to take charge of their own health.

For out of good health  
springs life & goodness.  
And such vitality of life  
is what we hope to offer  
to everyone through our  
proactive approach to  
health care.



## Chairman's Message

### Dear Shareholders

2003 has been a tumultuous year for Singapore and the region. It will also be remembered as one of the most eventful years for the Group. I am happy to announce that the Group has fared well despite the scourge of SARS and a weak economy.



### Encouraging Growth

Raffles Medical Group ended the year on a high note with strong performances from key operating units - Raffles Hospital and Raffles Medical Clinics.

Boosted by increased admissions at Raffles Hospital and a rise in foreign patient volume, the Group experienced a healthy 12.6 per cent growth in revenue and a 78.9 per cent growth in net profit after tax and minority interests over the previous year.

Compared with 2002, the Group's revenue grew from \$88.0 million to \$99.1 million and net profit after tax increased from \$4.5 million to \$8.1 million.

Revenue at Raffles Hospital grew 10.0 per cent from \$36.9 million to \$40.5 million and profit before tax grew 79.7 per cent, from \$0.8 million to \$1.4 million.

Admissions for the whole year rose by 21.2 per cent over the previous year, with the 4th quarter chalking the highest increase.

The Raffles Medical network of clinics contributed positively to the Group's performance as patient numbers continue to grow. Revenue from the clinics grew 11.4 per cent from \$55.2 million to \$61.5 million and profits before tax rose 57.7 per cent from \$5.2 million to \$8.2 million.

While SARS affected the occupancy rate at Raffles Hospital, the Group's launch of Raffles Health, a new personal health unit, proved timely with our SARS Protect range of products and Raffles brand nutraceuticals meeting with enthusiastic response from corporate clients, patients and retailers.

Because we are a diversified healthcare business which includes a wide network of GP clinics, a hospital, diagnostic centre and a personal health unit, we were less vulnerable to the vagaries of the cyclical change in the economy and unforeseeable events like SARS and the Asian financial crisis.

### Grace Under Pressure

2003 was also the year we handled two very high profile separation surgeries of conjoined twins. 29-year-old Iranian Twins Laleh and Ladan were separated but unfortunately did not survive. Conjoined Korean Twins Ji Hye and Sa Rang were successfully separated and are now well on the road to recovery and normal development.

We were much saddened by the loss of Laleh and Ladan. But the fact that our team of doctors and nurses had the courage and mental fortitude to carry out the separation surgery of the Korean Twins so soon after the earlier setback was a testimony to the indomitable Raffles spirit that we are so proud of.

People have questioned why we took on these surgeries. I can only say that unlike other businesses, we as healthcare professionals are obliged to share our skills, talents and experience for the benefit of our patients and the society at large. Helping the unfortunate and less privileged is indeed a core value of the Group. And as a Group of physicians, nurses and healthcare managers we must do our best to help whenever there is a chance that we can save lives or do something to improve the quality of life of our patients.

These two episodes also demonstrated the strength of the Group Practice model, where our multidisciplinary group of specialists worked together as a close-knit team to tackle complex surgeries as well as deliver integrated care seamlessly.

### Rising to the Challenge

The Group's responsiveness shone through during the SARS outbreak of 2003. When SARS hit the region, we were not only quick to come up with our SARS Protect kits to help Singaporeans cope with the deadly virus, we recruited a team of about 300 staff to carry out SARS screening at the airports, as well as land and sea checkpoints.

As part of our ongoing community service, many of our doctors gave talks on the then relatively unknown disease to our corporate clients and our patients. Our team of doctors and nurses also helped our corporate clients develop contingency plans to ensure business continuity.

Our ability to respond speedily was again demonstrated when an influenza epidemic broke out in the United States and Europe in October last year. Against a backdrop of vaccine shortages, we secured tens of thousands of flu vaccines to administer to our patients.

### A More Optimistic Outlook

We entered 2004 with a more comfortable margin of growth. The Government's initiatives to promote Singapore as the region's medical hub, as well as recent economic growth indicators pointing to a stronger economic recovery, all augur well for the Group.

With the Health Ministry planning to relax their guidelines on hospital advertising and with private hospitals geared to take a bigger role in capturing the foreign patients market, we can look forward to a positive year ahead.

### A Vote of Thanks

I would like to thank my Board of Directors for their support and advice as we bring our diversified and integrated healthcare business to new heights.

I also want to recognise the contributions of all within the Raffles family – from our dynamic senior management team to our hardworking and dedicated team of family physicians, consultant specialists, nurses, technicians, healthcare managers and support staff.

Lastly, my heartfelt appreciation to all our patients and corporate clients for their unwavering support of our unique brand of medical care.

### Growing Stronger

The phenomenon of Commercial Darwinism reminds us that with each threat and challenge, organisations and companies either become stronger or weaker.

Having weathered a difficult year and emerging unscathed, Raffles Medical Group has not just become stronger but will be a more potent healthcare force to be reckoned with in time to come.



Dr Loo Choon Yong  
Executive Chairman

## Board of Directors



from left to right:

### **Dr David McKinnon Lawrence Independent Director**

Dr David McKinnon Lawrence currently serves on the Boards of Agilent Technologies, Pacific Gas and Electric Corporation, The Rockefeller Foundation, McKesson Corporation, and the RAND Health Advisory Board, among others. He also serves in advisory roles to the biotechnology industry.

Dr Lawrence was the former Chairman and Chief Executive Officer of Kaiser Foundation Health Plan, Inc. and Kaiser Foundation Hospitals in the United States. He joined the Board on 25 July 1997.

### **Dr Loo Choon Yong Executive Chairman and Co-Founder**

Dr Loo Choon Yong is the Executive Chairman and co-founder of Raffles Medical Group.

Dr Loo was a Member of the Government Economic Review Committee (ERC) and Chairman of the ERC's Healthcare Services Working Group (HSWG). He is a Member of the Ministry of Finance's Council on Corporate Disclosure and Governance (CCDG) and a Member of the Tourism Consultative Council. Dr Loo is also currently the Deputy Chairman of the Action Committee for Entrepreneurship (ACE), an initiative to promote entrepreneurship in Singapore.

Dr Loo is the President of the Singapore Anti-Narcotics Association (SANA), a position he has held since 1996. He is also the Vice Chairman of National Council Against Drug Abuse (NCADA) and a member of the Board of Trustees for the Singapore Management University (SMU) and the Chinese Development Assistance Council (CDAC).

### **Mr Tan Soo Nan Independent Director**

Mr Tan Soo Nan is the Chief Executive Officer of Singapore Pools (Private) Limited, a wholly owned subsidiary of Temasek Holdings (Private) Limited.

Mr Tan is a Trustee of the Singapore Totalisator Board SCO Trust. He is also a Member of the Income Tax Board of Review, Goods and Services Tax Board of Review, Football Association of Singapore, National Volunteer and Philanthropy Centre and Council on Governance of Institutions of a Public Character.

Mr Tan was formerly the Chief Executive Officer of Temasek Capital (Private) Limited and Senior Managing Director of DBS Bank and has over 29 years of experience in the banking industry. He joined the Board on 28 July 2000.

### **Associate Professor Wee Beng Geok Independent Director**

Associate Professor Wee Beng Geok is Associate Professor at the Nanyang Business School, Nanyang Technological University, where she is Programme Director for the Nanyang MBA and MSc in Human Capital Management. She is also Director of Asian Business Case Centre, a business case research and publishing centre at the Nanyang Business School.

She has worked both in the corporate sector and the academia. She was a faculty member at the School of Electrical and Electronics Engineering, NTU, from 1987 to 1994 and has held management positions in various companies. She joined the Board on 27 November 2000.

### **Professor Lim Pin Independent Director**

Professor Lim Pin is Professor of Medicine at National University of Singapore (NUS) and Senior Consultant Endocrinologist at the National University Hospital.

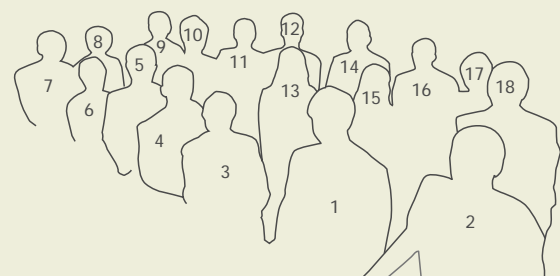
He was the former Vice Chancellor of NUS from 1981 to 2000, and is its first University Professor, the University's highest academic appointment conferred in 2000, in recognition of his work and achievements.

Professor Lim chairs the National Wages Council and the Bioethics Advisory Committee. He joined the Board on 19 February 2001.

## Senior Management



- |   |   |  |
|---|---|--|
| 1 <b>Dr Loo Choon Yong</b><br>Executive Chairman                        | 2 <b>Mr Lawrence Lim</b><br>General Manager,<br>Raffles Hospital and<br>Clinic Network Operations                       | 3 <b>Mrs Hilda Yap</b><br>Director,<br>Finance and Administration          |
| 4 <b>Mr Moiz Tyebally</b><br>Director,<br>Corporate Affairs             | 5 <b>Dr Yii Hee Seng</b><br>Deputy Medical Director,<br>Clinic Network Operations and<br>Director, Hong Kong Operations | 6 <b>Ms Annie Pang</b><br>Deputy Director,<br>Inpatient Operations         |
| 7 <b>Dr Prem Kumar Nair</b><br>General Manager,<br>Corporate Services   | 8 <b>Ms Chua Pek Kim</b><br>Deputy Director,<br>Human Resource  | 9 <b>Mr Chan Chong Leong</b><br>General Manager,<br>Raffles Health         |
| 10 <b>Professor Walter Tan</b><br>Medical Director,<br>Raffles Hospital | 11 <b>Mr Han Jok Kwang</b><br>Director,<br>Information Technology   | 12 <b>Dr Andre Leong</b><br>Senior Manager,<br>Corporate Services          |
| 13 <b>Mrs Kimmy Goh</b><br>Deputy Director,<br>Finance                  | 14 <b>Dr Yang Ching Yu</b><br>Deputy Medical Director,<br>Raffles Hospital  | 15 <b>Ms Loke Mei Choo</b><br>Senior Manager,<br>Clinic Network Operations |
| 16 <b>Mr Raju Narayan</b><br>Senior Manager,<br>Support Operations      | 17 <b>Ms Kew Lee Ming</b><br>Deputy Director,<br>Ambulatory Operations  | 18 <b>Dr Wilson Wong</b><br>Medical Director,<br>Clinic Network Operations |





Operations Review

# The Raffles Growth Story

**GROWTH ALL AROUND**

Raffles Medical Group recorded an impressive profit growth of 78.9 per cent in 2003.

We achieved this through sterling performances from Raffles Hospital and our network of Raffles Medical clinics.

Our new personal health unit - Raffles Health, also contributed to the business while our network of clinics went into overdrive, servicing our ever-growing stable of corporate clients and administering flu vaccinations to Singaporeans by the thousands.

**BREAKING NEW GROUNDS WITH RAFFLES HEALTH**

Raffles Health, our new personal health unit, was launched in March 2003 to develop and market quality health supplements and medical diagnostic equipment.

This coincided with the SARS outbreak and our SARS Protect range of masks, thermometers, alcohol swabs and Vitamin C met with enthusiastic response from our corporate clients, patients and the public at large.

Raffles Health has already been launched in Brunei and we will be looking at making inroads into other Asian countries.



*Terence Heng, aged 3, a patient of Raffles Children's Centre.*



*A hospital for all your healthcare needs.*

*Life's happiest moments*

**SARS - A KEY CHALLENGE FOR US**

One of the key highlights of 2003 was undeniably SARS and its impact on our business.

SARS wreaked havoc on the healthcare industry as a whole as people steered clear of hospitals during the outbreak months of March, April and May 2003.

That did not stop the Group from playing an important role in the control of this new deadly virus. Our response was swift and intense.

*... are not to be taken for granted. Which is why your health and well-being are so important to us.*



*A wide range of Raffles health supplements.*



*Raffles Health launches SARS Protect range of products.*

*always ready, always keen*



Flu vaccination for staff.



Flu vaccination for healthcare workers.



... to be at the forefront of battle against diseases and epidemics.



Emergency medical evacuation at Changi Airport clinics.



Complementing the public health authorities' efforts to combat SARS, we responded swiftly by putting up authoritative information on our website to educate our corporate clients and the community on SARS. Our doctors held regular health talks for our corporate clients on their premises, and health advisories were emailed to keep them up-to-date on the situation.

When Raffles Medical Group was awarded the tender to conduct SARS screening at checkpoints, we recruited and trained about 300 people in a span of three days and were soon doing SARS screening at Changi and Seletar Airports, Tuas and Woodlands land checkpoints, Woodlands train checkpoint, as well as Maritime Port Authority and Singapore Cruise Centre terminals.

We developed a training course to familiarise our screening officers with SARS and management of patients with fever. The training sessions included the proper handling and usage of medical equipment and thermal scanners, the use of various thermometers, and the proper handling and disposal of biohazardous materials.

We also sponsored 3,000 thermometers for the students of 19 special schools in Singapore.

With the restructured hospitals designated as SARS hospitals and the public sector facing a crisis of bed shortage, Raffles Hospital became the first private hospital to volunteer to accept patients from the public sector. A pilot project was eventually carried out in July when 10 patients from Singapore General Hospital were warded at Raffles Hospital for Total Knee Replacement Surgery.

Raffles Medical Group was duly recognised for its multiple contributions when, on National Day last year, we were awarded the Certificate of Commendation by the President of Singapore.

**FOR THE FIRST TIME - FLU VACCINATION ON A LARGE SCALE**  
When an influenza epidemic broke out in the United States and Europe in October, we administered flu vaccination to more than 30,000 Singaporeans, including 7,000 elderly residents and 3,000 staff at nursing homes. All Raffles staff also received flu vaccination to keep them infection free during the epidemic.

To cope with an imminent vaccine shortage, we worked with various suppliers to ensure that we had a steady stock of flu vaccines to serve the public. We also gave talks to corporate clients and published influenza-related news bulletins which were circulated to corporate clients via email.





**TO OUR PATIENTS OUR BEST - NO MATTER WHAT**

The world sat up and took notice of Raffles Hospital when in July 2003 we embarked on not one, but two high profile separation surgeries of conjoined twins.

In early July 2003, our doctors led an international team of experts in an attempt to separate adult craniopagus twins Laleh and Ladan Bijani. The twins were separated on July 8 but unfortunately did not survive the operation.

This did not dampen the spirit of the medical team as our doctors and nurses put in an unwavering effort towards the separation of the Korean conjoined twins Ji Hye and Sa Rang and successfully separated them just two weeks after the demise of Laleh and Ladan.

In memory of these brave young ladies and their indomitable spirits, we have set up a new Laleh and Ladan Memorial Fund, run under the auspices of The Medical Foundation - to raise money for needy patients with neurological conditions.

**GROUP PRACTICE MODEL - A DRAW FOR NEW SPECIALISTS**

Raffles' unique Group Practice Model has proved to be a hit among doctors who believe in team-based care. In 2003, our women's and children's services received a boost when we saw two Consultant Paediatricians and a Consultant Obstetrician and Gynaecologist join us from the public sector. Raffles Denticare also found stewardship with the appointment of a new Clinical Director, who is an experienced Consultant Orthodontist.

**DEVELOPING RAFFLES INTO AN INTERNATIONAL PATIENTS HUB**

In October 2003, the Singapore government launched Singapore Medicine, an initiative spearheaded by the Economic Development Board (EDB), the Singapore Tourism Board (STB) and International Enterprise Singapore (IES) to promote Singapore as a medical hub.

With our newly formed international marketing team, Raffles is now ready to expand beyond our traditional markets of Malaysia and Indonesia, into the Middle East, China, Indo China and the Indian Subcontinent.

We have also beefed up our International Patients Centre with more Patient Relations Officers. They are certified as "Tourism Ambassadors",



*Mrs E.J.Koenders, patient of Raffles Women's Centre, with her husband.*

*tender loving care*

... 1,000 miles away from home.  
With the kind of care we provide,  
you'll never walk alone.



**A TOTAL HEALTHCARE BUSINESS**

Raffles Medical Group is now a complete integrated healthcare business that provides care seamlessly from the primary care level at our network of GP clinics, to tertiary care provided by our multidisciplinary team of specialists at Raffles Hospital.

With Raffles Health, we cater to people's wellness by ensuring that they take charge of their own health.

We are one step closer to achieving our mission of providing the best total healthcare to our patients and fulfilling our vision of becoming the leading lifelong partner for all our patients' health and wellness needs.

enabling them to introduce Singapore as a tourist attraction to patients and their family members, in addition to seeing to their medical needs.

In January 2004, we opened up our new International Patients Lounge on the second storey of Raffles Hospital where foreign patients can have one-on-one discussions with our officers, plan their stay in Singapore and surf the medical internet.



*Ji Hye and Sa Rang successfully separated.*



*Newly opened International Patients Lounge.*

## Corporate Information

### Raffles Medical Group Ltd

#### BOARD OF DIRECTORS

Dr Loo Choon Yong (Executive Chairman)  
 Dr David McKinnon Lawrence  
 Mr Tan Soo Nan  
 Associate Professor Wee Beng Geok  
 Professor Lim Pin

#### BOARD AUDIT COMMITTEE

Mr Tan Soo Nan (Chairman)  
 Associate Professor Wee Beng Geok  
 Dr Loo Choon Yong

#### BOARD NOMINATION AND COMPENSATION COMMITTEE

Dr Loo Choon Yong (Chairman)  
 Professor Lim Pin  
 Associate Professor Wee Beng Geok

#### REGISTERED / CORPORATE OFFICE

585 North Bridge Road  
 Raffles Hospital #11-00  
 Singapore 188770

#### COMPANY SECRETARY

Mr Moiz Tyebally

#### SHARE REGISTRAR

M & C Services Private Limited  
 138 Robinson Road #17-00  
 The Corporate Office  
 Singapore 068906

#### AUDITORS

KPMG  
 Certified Public Accountants  
 16 Raffles Quay #22-00  
 Hong Leong Building  
 Singapore 048581  
 Partner-in-Charge : Mr Ong Pang Thye  
 (Year of Appointment: 2002)

#### PRINCIPAL BANKERS

United Overseas Bank Limited  
 Oversea-Chinese Banking Corporation Limited  
 The Development Bank of Singapore Ltd

### Raffles Hospital Pte Ltd

#### BOARD OF DIRECTORS

Dr Loo Choon Yong (Chairman)  
 Professor Walter Tan  
 Professor Edward Tock  
 Mr Lock Sai Hung  
 Ms Jennie Chua  
 Dr Alfred Loh  
 Dr Wilson Wong  
 Dr Yang Ching Yu

