

*RafflesMedicalGroup*

Annual Report 2004

# Growth & Aspiration



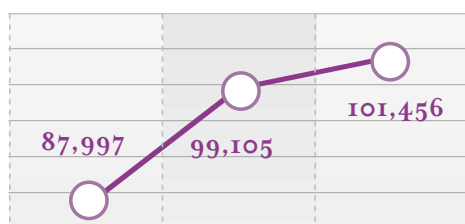


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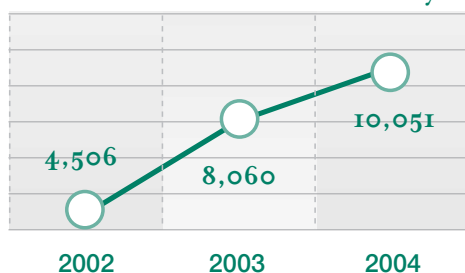
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# HIGHLIGHTS OF 2004 PERFORMANCE

## Revenue



## Net Profit After Tax & Minority Interests



- Group achieved 24.7% growth in net profitability to S\$10.1 million
- Hospital services division attained 23.5% growth in revenue to S\$50.1 million, while profit before tax surged 248% to S\$4.7 million
- Specialist outpatient visits grew by 19.6% while hospital admissions grew by 16.0%
- International Medical Insurers, the Group's insurance arm, is expected to contribute to revenue growth



# CORPORATE PROFILE





# A flourishing enterprise

Raffles Medical Group, founded in 1976 and subsequently listed in Singapore in 1997, has evolved from two clinics to become one of the leading integrated private healthcare providers in Singapore and the region today.

With its flagship Raffles Hospital, a network of 60 clinics across Singapore, four clinics in Hong Kong and representative offices in Indonesia and Bangladesh, Raffles Medical Group is fast expanding beyond its traditional markets to the region and beyond.

CORPORATE PROFILE



# A total healthcare business

Raffles Medical Group prides itself on providing a continuum of care, from primary care at our network of Raffles Medical clinics, to specialist and tertiary care at Raffles Hospital.

In March 2003, we launched our own range of vitamins, supplements and diagnostic products under Raffles Health, the Group's personal healthcare unit.

In January 2005, we started International Medical Insurers where we offer more choices in healthcare financing for both corporate clients and individuals.

CORPORATE PROFILE





# A hospital for all your healthcare needs

Raffles Hospital is a hospital built around the needs of our patients.

We have 12 operating theatres fully equipped for a complete range of surgeries and diagnostic facilities featuring the latest imaging techniques.

Our 11 specialist clinics provide a range of services from prevention, diagnosis and treatment of a wide range of diseases and medical conditions to aesthetic procedures and healthscreening packages.

The rooms at Raffles Hospital are outfitted with hotel standards of comfort and furnishings.

Intimate and cosy, Raffles Hospital is the ideal sanctuary for rest and recovery.

## CHAIRMAN'S MESSAGE

“Working as a team, we strive to make Raffles Medical Group not only the healthcare institution of choice among patients but the employer of choice among like minded individuals who believe in giving their best for the care of the sick and the needy.”



### Dear Shareholders

I am happy to announce that we have done well in 2004.

### Sound Financial Performance

The Group turned in a sterling performance, with increased revenue and profits, generated by most of our operating units. Raffles Hospital contributed strongly to this performance.

The Group ended 2004 with a 24.7 per cent growth in net profit to \$10.1 million with total revenue of \$101.5 million.

At the hospital, specialist outpatient visits grew by 19.6 per cent while hospital admissions grew by 16 per cent.

Revenue from hospital services grew to \$50.1 million - a 23.5 per cent growth from the same period last year.

Profit before tax from the hospital services rose by an impressive 248 per cent, from \$1.4 million in 2003 to \$4.7 million in 2004.

The Directors are pleased to recommend a first and final dividend of 15 per cent and a special dividend of 10 per cent.

### New Revenue Streams

We experienced encouraging growth in foreign patient volumes, bringing the proportion of foreign patients at our hospital to a third of the total patient load. These patients come from more than 100 different countries.

The international patients market is poised for greater growth as Singapore continues its push to be the pre-eminent medical hub of the region. Raffles Hospital will grow to serve this need.

We expanded our healthcare services by providing mass health screening to corporations in 2004. The network of Raffles Medical clinics is geared for growth this year, with the planned opening of seven new clinics.

An additional contribution to the Group's revenue is expected to come from International Medical Insurers Pte Ltd - the Group's health insurance subsidiary which started operations in January 2005.

### **New Markets; New Opportunities**

In the light of a buoyant economy, I am optimistic that we can look forward to many new opportunities in the region.

We will evaluate such opportunities for their potential for accretive growth and enhancement of shareholders value.

### **A Vote of Thanks**

I would like to thank my Board of Directors for their invaluable support and advice as we take our growing business to new heights.

I also want to acknowledge the contributions of members of the Raffles family - our committed senior management team, our hardworking, compassionate and dedicated team of consultant specialists, family physicians, nurses, healthcare managers and administrative staff.

Last but not least, my sincere appreciation to all our patients and corporate clients for their unwavering support. We value this relationship and promise to continue to give you our best.

### **Working Together for a Shared Dream**

For the long term growth and development of the Group, it is important to nurture and develop a team of people who share the same vision.

Working as a team, we strive to make Raffles Medical Group not only the healthcare institution of choice among patients but the employer of choice among like-minded healthcare professionals who believe in giving their best for the care of the sick and the needy.

We pride ourselves as being an organization with strong values and a firm and deep commitment to society.

This year many members of the Raffles family helped to start The Asian Medical Foundation, a charity committed to assisting and helping the less fortunate in Singapore and the Asian region.

For a start, we want to continue our medical missions to tsunami-hit Aceh, giving our time, resources and expertise to the disaster survivors.

In due course, together with The Asian Medical Foundation, we will be doing more for the less fortunate,

With success, comes greater responsibility.



**DR LOO CHOON YONG**  
EXECUTIVE CHAIRMAN

## BOARD OF DIRECTORS



**Dr Loo Choon Yong**



**Dr David M Lawrence**



**A/P Wee Beng Geok**



**Prof Lim Pin**



**Mr Tan Soo Nan**

### **Dr Loo Choon Yong**

*Executive Chairman and Co-Founder*

Dr Loo Choon Yong is the Chairman of the Board and the Executive Chairman and co-founder of Raffles Medical Group, one of Singapore's leading private integrated healthcare providers.

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). 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 Vice Chairman of National Council Against Drug Abuse (NCADA) and he was the President of the Singapore Anti-Narcotics Association (SANA), a position he held from 1996 to 2005.

He is currently a member of the Board of Trustees for the Chinese Development Assistance Council (CDAC) and the Singapore Management University (SMU) from 2000 to 2005. He is also a member of the Board of Governors for Raffles Junior College.

Dr Loo has been appointed as a Nominated Member of Parliament by the President of Singapore. His term of service commenced from 2 January 2005.

Besides his medical training, Dr Loo also read Law at the University of London and is a member of Middle Temple.

### **Dr David McKinnon Lawrence**

*Independent Director*

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

Dr Lawrence is the Retired 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.

### **Associate Professor Wee Beng Geok**

*Independent Director*

Dr Wee Beng Geok is Associate Professor at the Nanyang Business School, Nanyang Technological University (NTU), as well as Director of the Asian Business Case Centre at the University. She is also a faculty instructor in the Nanyang MBA programme where she teaches Organizational Behavior and Human Capital Management courses.

She holds a PhD in Management Systems and Sciences from the University of Hull; a Master in Business Administration from Cranfield Institute of Technology, and a Bachelor of Business Administration from the University of Singapore.

She has worked both in the corporate sector and 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 over the last 30 years.

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.

### **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 Singapore Totalisator Board.

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.

## SENIOR MANAGEMENT



### STANDING (Left to Right)

Dr Loo Choon Yong  
*Executive Chairman*

Dr Yii Hee Seng  
*Principal Officer and General Manager,  
International Medical Insurers*

Ms Chua Pek Kim  
*Deputy Director,  
Human Resource*

Dr Prem Kumar Nair  
*General Manager,  
Corporate Services*

Mr Han Jok Kwang  
*Director,  
Information Technology*

Dr Yang Ching Yu  
*Deputy Medical Director,  
Raffles Hospital*

Mr Chan Chong Leong  
*General Manager,  
Raffles Health*

Professor Walter Tan  
*Medical Director,  
Raffles Hospital*

Dr Wilson Wong  
*Medical Director,  
Clinic Network Operations*

Mr Lawrence Lim  
*General Manager,  
Raffles Hospital*

### SEATED (Left to Right)

Mrs Hilda Yap  
*Director,  
Finance and Administration*

Mr Moiz Tyebally  
*Director,  
Corporate Affairs*

Mrs Kimmy Goh  
*Group Financial Controller*

Ms Annie Pang  
*Director,  
Inpatient Operations  
(Not present in photograph)*

## OPERATIONS REVIEW

2004 was a year marked by a concrete strengthening of existing business units.

### Growth in Current Business Units

There was all-round growth in our business units - namely Raffles Medical clinics and Raffles Hospital.

Raffles Medical expanded the clinical breadth and depth of its services.

Clinical service at our GP clinics was enhanced when some of our satellite clinics started operating as integrated medical centres, offering healthscreening services, laboratory services, x-ray and other diagnostic tests. We even run "lifestyle" clinics like smoking cessation clinics and provide treatment for hair loss and obesity.

As the economy improves, our network of clinics will continue to expand as we open seven more clinics this year.

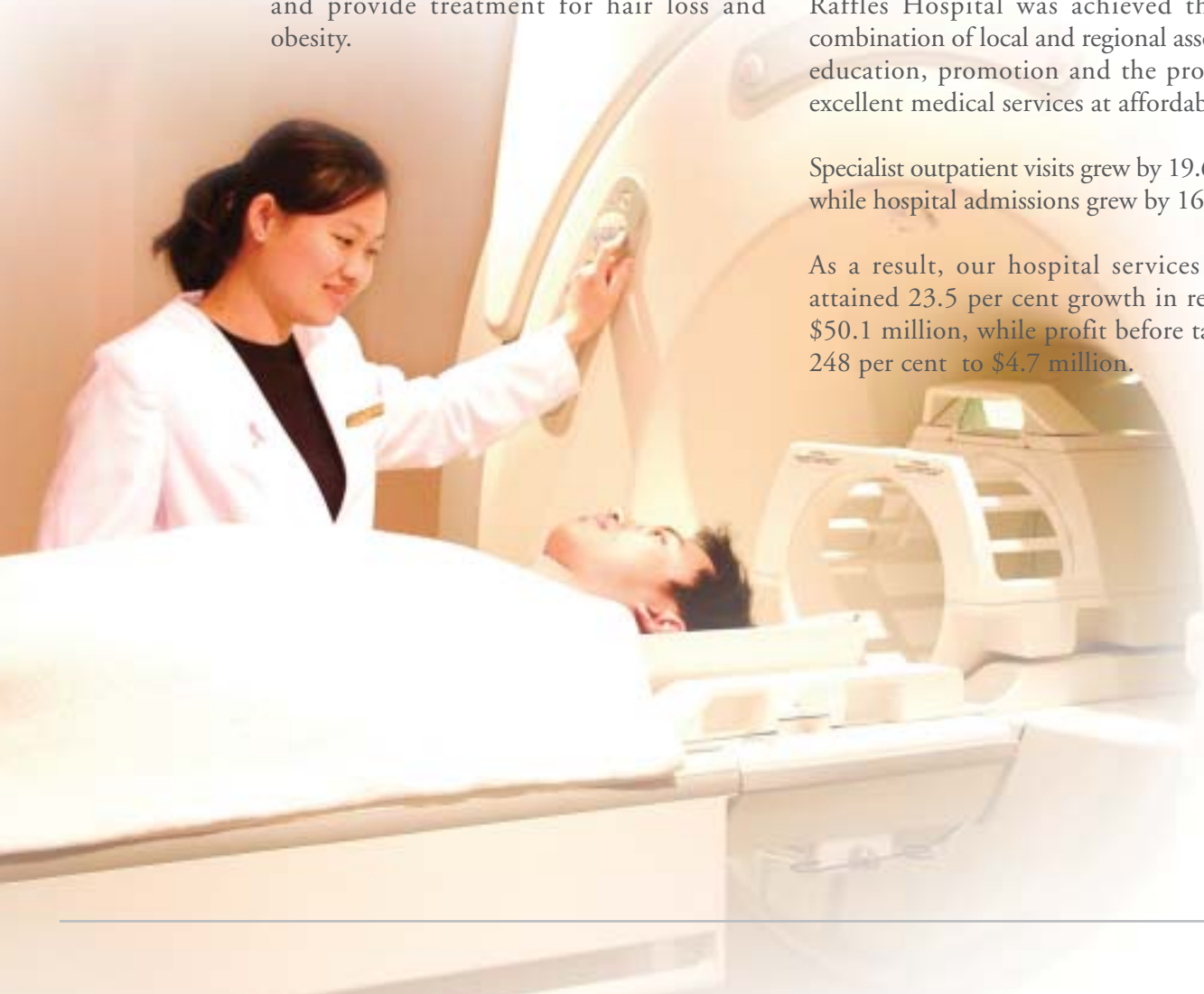
We also look forward to providing quality service to our pool of corporate clients and aim to acquaint more corporations with the Raffles style of integrated care.

As people become more conscientious in their efforts to develop a healthy lifestyle at work, our *Health@Work* programme went into overdrive, providing mass healthscreening services to corporations, rolling out healthcare consultancy programmes and conducting educational talks for hundreds and thousands of corporate clients.

Increased inpatient and outpatient volumes at Raffles Hospital was achieved through a combination of local and regional associations, education, promotion and the provision of excellent medical services at affordable prices.

Specialist outpatient visits grew by 19.6 per cent while hospital admissions grew by 16 per cent.

As a result, our hospital services division attained 23.5 per cent growth in revenue to \$50.1 million, while profit before tax surged 248 per cent to \$4.7 million.



### Venturing Beyond Our Shores

More regional patients are seeking treatment at Raffles Hospital. Foreign patients now constitute a third of our total patient load.

In 2004, for example, we have had foreign patients from 100 countries, including: Australia, Bangladesh, China, Indonesia, Japan, Malaysia, Mauritius, Myanmar, Russia, South Korea, United Kingdom, United States of America, and the Middle Eastern nations of Bahrain, Oman, Saudi Arabia and United Arab Emirates.

The Raffles model of team-based medicine is known not only locally, but in the region and even beyond, in the United States, Europe and the Middle East.

Thanks to our successful separation of Korean Twins Ji Hye and Sa Rang in 2003, the Raffles name is now synonymous with safety, quality and excellence in Korea.

We carried out our first living non-related renal transplant at Raffles Hospital in 2004. The patient is a Korean businessman who came to Raffles after hearing all about our quality of care and high medical standards.



OPERATIONS REVIEW

**Making Private Healthcare Affordable**

In order to use our skills and excellent facilities to benefit more local and regional patients, Raffles Hospital launched a palette of 10 Special Fixed Priced Packages in September 2004.

These 10 common procedures include Coronary Artery Bypass Graft, total knee or hip replacement surgery and cataract surgery. The packages are all inclusive, with doctors' fees, ward charges, procedure charges and cost of medication bundled together at very affordable prices.

Most of these package prices are comparable to our closest competitors in the region.

We also started a 6-bedded ward at Raffles Hospital, to make our service more accessible to those who would otherwise not be able to afford private care. Patients in these wards get to enjoy an air-conditioned stay and are treated by a consultant specialist.

**The Attraction of Group Practice**

Our group practice model offers our specialists an environment that allows them to concentrate on their medical practice while leaving administrative work in the capable hands of specialist healthcare managers.

It also provides them the time and space for continued professional development, sub-speciality training, as well as clinical research.



### Meeting Patient Needs with New Services

This year, the new Orthopaedic and Sports Medicine Centre will have a six-doctor team of orthopaedic surgeons and sports medicine physicians with different subspecialist interests ranging from joint replacement to hand surgery to spinal surgery.

The Raffles Aesthetics Centre will double in size and be upgraded into a centre providing plastic and reconstructive surgeries, as well as a variety of aesthetic and wellness services. Latest technologies in aesthetics will be available as part of the beauty regime.

With the steady growth in the Raffles family of specialists, the Paediatrics clinic now has a strong team. The Paediatrics clinic at the hospital is open for service at nights and on weekends.

The Raffles Counselling Centre comprises a multi-disciplinary team of three consultant psychiatrists, more than 20 psychologists, counsellors and family therapists offering services that range from treatment of depression and alcoholism rehabilitation to post-trauma counselling.

The Raffles Japanese Clinic has also gone from strength to strength, with a loyal and ever growing patient base from the region.



OPERATIONS REVIEW



**Healthcare Financing - A New Business Unit**

In 2004, we obtained a license to conduct direct health and accident insurance from the Monetary Authority of Singapore.

The core products of International Medical Insurers Pte Ltd are healthcare and medical insurance products with additional related products like travel insurance and personal accident insurance.

Raffles Medical Group has long been a provider of Managed Care services.

With our experience and our domain knowledge, we can offer more choices in healthcare financing for both our corporate clients and individuals.

**Heart for Those in Need**

A review of 2004 would not be complete without a mention of Raffles Medical Group's contribution to disaster relief efforts in the immediate aftermath of the Asian Tsunami Disaster on Boxing Day 2004.

Working with The Asian Medical Foundation - a charity committed to assisting the less fortunate in Singapore and the region - we sent a batch of emergency medical supplies and medications worth \$25,000 to Aceh via the Indonesia Embassy in Singapore.

The Foundation, collaborating with Munich Reinsurance Singapore, then despatched a medical team of two doctors and two nurses to Aceh to render emergency medical assistance to the survivors.

The team brought along more than 250kg worth of medical supplies to treat 800 patients. But medication such as antibiotics was depleted within three days and had to be replenished.

The Tsunami Disaster has crystallised our belief that as a group of doctors, nurses and healthcare personnel, it is our calling to heed the cries of the sick, the poor and the needy.

### Hope for the New Year

Raffles Medical Group has evolved from a 2-clinic practice to a diversified Group of 60 GP clinics in Singapore, four clinics in Hongkong, a flagship hospital in Singapore, representative offices in the region and representation in different parts of the world.

The Group will also continue to seek regional opportunities in Indonesia, Malaysia and China.

As we expand, we want to bring the Raffles brand of quality healthcare to the region and beyond, and transform Raffles Medical Group into a regional integrated healthcare organisation.

More importantly, we hope to bring the Raffles legacy of care with us, that wherever we go, we may touch more lives.



## CORPORATE INFORMATION

### **Raffles**MedicalGroup

#### **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 A. 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  
DBS Bank Ltd

# PROFESSIONAL GOVERNANCE

## RafflesHospital

### 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

### Medical Advisory Board

Professor Walter Tan (*Chairman*)  
 Professor Edward Tock  
 Dr J J Murugasu  
 Dr Yang Ching Yu  
 Dr Teo Sek Khee  
 Dr Joan Thong Pao-Wen  
 Dr Tan Yew Ghee  
 Dr Yeong Kuan Yuen  
 Dr Yui Hee Seng  
 Mr Lawrence Lim (*Ex Officio*)

### Credentials Committee

Professor Edward Tock (*Chairman*)  
 Dr Yang Ching Yu  
 Dr Khoo Chong Yew  
 Dr S Krishnamoorthy  
 Mr Lawrence Lim  
 Professor Walter Tan (*Ex Officio*)

### Quality Assurance Committee

Dr Alfred Loh (*Chairman*)  
 Dr J J Murugasu  
 Mr Lawrence Lim  
 Ms Chua Pek Kim  
 Ms Annie Pang  
 Professor Walter Tan (*Ex Officio*)  
 Dr Wilson Wong (*Ex Officio*)

### Medical Audit Committee

Dr Chan Choong Chee (*Chairman*)  
 Dr Teo Sek Khee  
 Dr Ng Wai Lin  
 Dr Alfred Loh (*Ex Officio*)

### Surgical Audit Committee

Dr J J Murugasu (*Chairman*)  
 Professor Edward Tock (*Co-Chairman*)  
 Dr Yang Ching Yu  
 Dr Chan Choong Chee  
 Dr Lee I Wuen  
 Dr Eric Teh  
 Dr Tan Yew Ghee  
 Professor Walter Tan (*Ex Officio*)  
 Dr Alfred Loh (*Ex Officio*)

### Ethics Committee

Dr J J Murugasu (*Chairman*)  
 Professor Edward Tock  
 Dr Alfred Loh  
 Dr Chew Chin Hin  
 Mr Richard Lim

### Pharmacy & Therapeutics Committee

Dr Yang Ching Yu (*Chairman*)  
 Dr Teo Sek Khee  
 Dr Yui Hee Seng  
 Ms Wu Siew See  
 Ms Lai Swee Lin (*Secretary*)

### Infection Control Committee

Dr Teo Sek Khee (*Chairman*)  
 Ms Kartini Sameejan  
 Ms Alice Chan  
 Ms Liu Wei Wei  
 Ms Tan Kin Hong  
 Mr Sahari Ani  
 Ms Tan Chiew Nah  
 Ms Chiam Shure Lee

### Operating Theatre Committee

Dr Eric Teh (*Chairman*)  
 Professor Walter Tan  
 Dr Stephen Lee  
 Dr Thong Pao-Wen  
 Dr Enoch Gan  
 Dr Yang Ching Yu  
 Dr S Krishnamoorthy  
 Dr Koh Ghim Hwee  
 Dr Tan Yew Ghee  
 Dr Lee I Wuen  
 Dr Aw Chong Yin  
 Dr Ng Bee Lim  
 Ms Annie Pang  
 Ms Yeang Lye Siang  
 Ms Teo Poh Lin

### Blood Transfusion & Tissue Review Committee

Dr S Krishnamoorthy (*Chairman*)  
 Dr Eric Teh (*Co-chairman*)  
 Dr Koh Gim Hwee  
 Dr Sathiaselvan Sivanathan  
 Dr Jean Ho  
 Ms Teo Kim Eng  
 Ms Pang Yen Yin  
 Mr Seow Ser Hoe (*Secretary*)

### Patient Records Review Committee

Dr Aw Chong Yin (*Chairman*)  
 Dr Koh Gim Hwee  
 Ms Tan Siew Hoon  
 Ms Chia Puay Choo  
 Mr Jasmail Singh (*Secretary*)

## RafflesMedical

### Medical Board

Dr Wilson Wong (*Chairman*)  
 Dr Yui Hee Seng  
 Dr Kenneth Wu  
 Dr Hoo Kai Meng  
 Dr Chin Min Kwong  
 Dr Chng Shih Kiat  
 Dr Choo Shiao Hoe  
 Dr Kwan Yew Seng  
 Dr Kang Aik Kiang  
 Dr Andre Leong

### Pharmaceutical and Therapeutics Committee

Dr Hoo Kai Meng (*Chairman*)  
 Ms Wu Siew See  
 Dr Lily Lin  
 Dr Angeline Chua  
 Dr Chong Siew Yun

### Physician Training and Professional Development Committee

Dr Kwan Yew Seng (*Chairman*)  
 Dr Kang Aik Kiang  
 Dr Bina Kurup



# ***RafflesMedicalGroup***

Company Registration No. 198901967K

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