

CIRCULAR DATED 12 NOVEMBER 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the contents herein or course of action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Thomson Medical Group Limited (the “**Company**”), you should forward this Circular, together with the Notice of Extraordinary General Meeting and accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Singapore Exchange Securities Trading Limited takes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

This Circular shall not be construed as, and does not constitute, a notice, proposal, advertisement, offer, invitation or solicitation in any jurisdiction or in any circumstance in which such a notice, proposal, advertisement, offer, invitation or solicitation is unlawful or not authorised, or to any person to whom it is unlawful to make such a notice, proposal, advertisement, offer, invitation or solicitation.

Terms appearing on the cover of this Circular bear the same meanings as defined in this Circular.



THOMSON MEDICAL GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199908381D)

CIRCULAR TO SHAREHOLDERS

in relation to:

- (I) THE PROPOSED DISTRIBUTION *IN SPECIE* OF THE GROUP'S DESIGN AND ENGINEERING AND HOSPITALITY BUSINESSES TO SHAREHOLDERS OF THE COMPANY BY WAY OF CAPITAL REDUCTION**

- (II) THE PROPOSED FURTHER CAPITAL REDUCTION TO WRITE OFF ACCUMULATED LOSSES**

Financial Adviser to the Company



PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200207389D)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	1 December 2018 at 2.00 p.m.
Date and time of Extraordinary General Meeting	:	4 December 2018 at 2.00 p.m.
Place of Extraordinary General Meeting	:	Holiday Inn Singapore Atrium 317 Outram Road Singapore 169075

IMPORTANT NOTICE TO OVERSEAS SHAREHOLDERS

Terms appearing in this notice bear the same meanings as defined in this Circular.

The distribution of this Circular, the RSPH Shares to Overseas Shareholders may be prohibited or restricted by law (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Overseas Shareholders are required to inform themselves of and to observe any such prohibition or restriction at their own expense and without liability to the Company. It is the responsibility of Overseas Shareholders in such jurisdictions to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtainment of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities which may be required to be observed and/or the payment of any issue, transfer or other taxes which may be due in such jurisdictions.

This Circular may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such offer or invitation is not authorised nor to any person to whom it is unlawful to make such offer or invitation.

As set out in paragraph 6.7 of this Circular, the RSPH Shares will not be distributed to Overseas Shareholders who have not, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar (M & C Services Private Limited at 112 Robinson Road #05-01 Singapore 068902) or CDP, as the case may be, with addresses in Singapore for the service of notices or documents in accordance with the foregoing.

Shareholders with any queries relating to the registration or transfer of the RSPH Shares can contact M & C Services Private Limited, the share registrar of RSPH, at +65 6228 0530 or at 112 Robinson Road #05-01 Singapore 068902

Accordingly, Overseas Shareholders whose registered addresses as at the Books Closure Date are outside Singapore will not receive the RSPH Shares pursuant to the Proposed Distribution and shall not be entitled to make any claim whatsoever against the Company or any other person in connection therewith.

IMPORTANT NOTICE TO SCRIP SHAREHOLDERS

Terms appearing in this notice bear the same meanings as defined in this Circular.

Scrip Shareholders should note that entitlements to the RSPH Shares will be determined on the basis of their holdings of TMG Shares appearing in the Register of Members as at the Books Closure Date.

Persons who own TMG Shares and who have not already done so, are requested to take the necessary actions to ensure that the TMG Shares owned by them are registered in their names or in the names of their nominees in the register of members by the Books Closure Date.

Upon the Proposed Distribution being approved by Shareholders at the EGM and the satisfaction of other conditions precedent set out in paragraph 5 of this Circular, the Company shall direct RSPH to allot and issue the RSPH Shares to be distributed pursuant to the Proposed Distribution directly to the Entitled Shareholders, and the Entitled Shareholders will be credited with RSPH Shares by the entry of their names as well as the relevant number of RSPH Shares to be distributed to them on the register of members of RSPH to be maintained by the share registrar of RSPH (being M & C Services Private Limited at 112 Robinson Road #05-01 Singapore 068902).

Notwithstanding the above, for avoidance of doubt, no share certificate will be sent to RSPH Shareholders in respect of the RSPH Shares pending the finalisation and implementation of the Cash Alternative arrangements unless a RSPH Shareholder makes a written request to the share registrar of RSPH for his share certificate to be sent to him. Please refer to paragraph 7 of this Circular for further information.

TABLE OF CONTENTS

IMPORTANT NOTICE TO OVERSEAS SHAREHOLDERS	1
IMPORTANT NOTICE TO SCRIP SHAREHOLDERS	2
DEFINITIONS	4
INDICATIVE TIMETABLE	10
LETTER TO SHAREHOLDERS	12
1. INTRODUCTION	12
2. THE RESTRUCTURING	13
3. THE PROPOSED DISTRIBUTION BY WAY OF CAPITAL REDUCTION	14
4. PROPOSED FURTHER CAPITAL REDUCTION TO WRITE OFF ACCUMULATED LOSSES	23
5. CONDITIONS PRECEDENT TO THE PROPOSED CORPORATE EXERCISES	23
6. ADMINISTRATIVE PROCEDURES RELATING TO THE PROPOSED DISTRIBUTION	24
7. UNLISTED RSPH SHARES	26
8. RISK FACTORS	28
9. FINANCIAL EFFECTS OF THE PROPOSED CORPORATE EXERCISES	34
10. TAXATION	36
11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	37
12. DIRECTORS' RECOMMENDATION	38
13. EXTRAORDINARY GENERAL MEETING	39
14. ACTION TO BE TAKEN BY SHAREHOLDERS	39
15. DIRECTORS' RESPONSIBILITY STATEMENT	39
16. FINANCIAL ADVISER'S RESPONSIBILITY STATEMENT	39
17. CONSENT	40
18. DOCUMENTS FOR INSPECTION	40
APPENDIX A: CORPORATE STRUCTURES	41
APPENDIX B: SUMMARY VALUATION REPORT ON DISPOSAL GROUP OF THOMSON MEDICAL GROUP LIMITED	43
NOTICE OF EXTRAORDINARY GENERAL MEETING	49
PROXY FORM	

DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

Companies, Organisations and Agencies

“AC Consortium”	:	AC Consortium Pte. Ltd., a wholly-owned indirect subsidiary of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Company” or “TMG”	:	Thomson Medical Group Limited
“CPF”	:	Central Provident Fund
“GG Collections”	:	GG Collections Private Limited, a 75% owned subsidiary of the Company
“Group”	:	The Company and its subsidiaries
“Hotel Football”	:	Hotel Football is a boutique hotel owned by Old Trafford Supporters Club Limited
“ISO”	:	International Standards Organisation, a worldwide federation of national standards bodies
“PPCF” or the “Financial Adviser”	:	PrimePartners Corporate Finance Pte. Ltd.
“RSP Architects”	:	RSP Architects Planners & Engineers (Pte) Ltd, a wholly-owned subsidiary of the Company
“RSPH”	:	RSP Holdings Pte. Ltd.
“RSPH Group”	:	RSPH and its subsidiaries at the relevant time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	The Company’s share registrar, M & C Services Private Limited
“Squire Mech”	:	Squire Mech Private Limited, a wholly-owned indirect subsidiary of the Company
“Valuer”	:	BDO Advisory Pte Ltd

DEFINITIONS

General

- “3Q2018”** : The nine-month financial period from 1 January 2018 to 30 September 2018
- “Bonus Warrants”** : The bonus warrants in respect of the Company’s bonus issue of bonus warrants set out in the circular to Shareholders dated 28 February 2018
- “Books Closure Date”** : Such time and date as may be determined by the Directors in their absolute discretion as they deem fit and announced by the Company, at and on which the Register of Members and the share transfer books of the Company will be closed for the purpose of determining the entitlements of Shareholders to RSPH Shares pursuant to the Proposed Distribution
- “Capital Reduction”** : The proposed capital reduction exercise to be carried out by the Company pursuant to Section 78G read with Section 78I of the Companies Act, details of which are set out in paragraph 3 of this Circular
- “Cash Alternative”** : Shall have the meaning ascribed to it in paragraph 7 of this Circular
- “Circular”** : This circular to Shareholders dated 12 November 2018 in relation to the Proposed Corporate Exercises
- “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended from time to time
- “Constitution”** : The constitution of a company, as the same may be amended, supplemented or modified from time to time
- “CPF Funds”** : The CPF account savings of CPF members under the CPFIS
- “CPFIS”** : The CPF Investment Scheme
- “CPFIS Investors”** : Investors who have subscribed for or purchased TMG Shares using their respective CPF Funds and which TMG Shares are held on their behalf by CPF-approved agent banks
- “Date of Completion”** : The date, to be determined by the Directors and announced by the Company, of the completion of the Proposed Corporate Exercises, being the date the RSPH Shares are distributed to Entitled Shareholders

DEFINITIONS

“Deed Polls”	:	The Bonus Warrants deed poll constituting the Bonus Warrants and the Piggyback Warrants deed poll constituting the Piggyback Warrants, both dated 23 March 2018
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“Effective Date”	:	The effective date of the Capital Reduction and the Proposed Further Capital Reduction
“EGM”	:	The extraordinary general meeting of the Company to be held on 4 December 2018 at 2.00 p.m., notice of which is given in the Notice of EGM set out on page 49 of this Circular (or any adjournment thereof)
“Entitled Shareholders”	:	Shareholders as at the Books Closure Date, save for Overseas Shareholders who have not at least three (3) Market Days prior to the Books Closure Date provided the Share Registrar or CDP, as the case may be, with addresses in Singapore for the service of notices or documents
“EPS”	:	Earnings per TMG Share
“Existing Issued Share Capital”	:	The issued and paid-up share capital of the Company as at the Latest Practicable Date, being 26,072,800,745 TMG Shares
“Healthcare Business”	:	The Company’s business of providing healthcare services
“Latest Practicable Date”	:	5 November 2018, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST, as amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Notice of EGM”	:	The notice of EGM in respect of the Proposed Corporate Exercises, as set out on page 49 of this Circular
“NTA”	:	Net tangible assets
“O&G”	:	Obstetrics and gynaecology

DEFINITIONS

“Overseas Shareholders”	:	Shareholders whose registered addresses as at the Books Closure Date, as recorded in the Register of Members or in the Depository Register maintained by CDP (as the case may be) for the service of notices and documents, are outside Singapore
“Piggyback Warrants”	:	The piggyback warrants in respect of the Company’s bonus issue of piggyback warrants set out in the circular to Shareholders dated 28 February 2018
“Proposed Corporate Exercises”	:	The Proposed Distribution by way of Capital Reduction and Proposed Further Capital Reduction collectively
“Proposed Distribution”	:	The proposed distribution <i>in specie</i> of the Company’s entire holdings of RSPH Shares to Entitled Shareholders in proportion to their respective shareholdings in the Company as at the Books Closure Date, on the basis of one (1) RSPH Share for every one (1) TMG Share as described in the Circular, fractional entitlements (where applicable) to be disregarded
“Proposed Further Capital Reduction”	:	The proposed further capital reduction exercise to be carried out by the Company pursuant to Section 78G read with Section 78I of the Companies Act, by way of cancellation of the Company’s issued and paid-up share capital which is lost or unrepresented by available assets, details of which are set out in paragraph 4 of this Circular
“Real Estate Business”	:	The Company’s design and engineering and hospitality businesses
“Register of Members”	:	The register of members of the Company
“Restructuring”	:	Has the meaning ascribed to it in paragraph 2 of this Circular
“RSPH Group”	:	RSPH and its subsidiaries
“RSPH Shares”	:	Ordinary shares in the issued share capital of RSPH
“RSPH Shareholders”	:	Persons who are registered as holders of RSPH Shares in the register of members of RSPH
“Scrip Shareholders”	:	Shareholders whose TMG Shares are not deposited with CDP and whose registered addresses as at the Books Closure Date, as recorded in the Register of Members for the service of notices and documents, are in Singapore

DEFINITIONS

“ Securities Account ”	:	A securities account maintained by a Depositor with CDP, but not including a securities sub-account maintained with a Depository Agent
“ Securities and Futures Act ”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“ Shareholders ”	:	Persons who are registered as holders of TMG Shares in the Register of Members, except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such TMG Shares, mean the persons named as Depositors in the Depository Register and whose Securities Accounts are credited with TMG Shares
“ SRS ”	:	Supplementary Retirement Scheme
“ Substantial Shareholder ”	:	A person (including a corporation) who has an interest, directly or indirectly, in five percent (5%) or more of the voting Shares (excluding treasury shares and subsidiary holdings) of the Company
“ Summary Valuation Report ”	:	Summary valuation report issued by the Valuer dated 7 November 2018 set out in Appendix B to this Circular
“ TMG Shares ”	:	Ordinary shares in the issued share capital of the Company
“ UK ”	:	The United Kingdom
“ % ” or “ per cent. ”	:	Percentage or per centum
“ S\$ ” and “ cent ”	:	Singapore dollars and cents respectively, representing the lawful currency of Singapore

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The term “**Subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*.

Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. Reference to persons shall include corporations and limited liability partnerships.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act or the Listing Manual or any amendment or modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the Securities and Futures Act or the Listing Manual or such amendment or modification thereof, as the case may be.

DEFINITIONS

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof (if any) are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

INDICATIVE TIMETABLE

The following are the indicative dates and times of events relating to the Proposed Distribution by way of Capital Reduction and the Proposed Further Capital Reduction. Shareholders should note that the dates and times for the events which are scheduled to take place after the EGM are indicative only and are subject to changes at the Company's absolute discretion as well as applicable regulatory requirements. Any changes (including any determination of the relevant dates) to the timetable below will be announced by the Company.

Last date and time for lodgement of Proxy Forms ⁽¹⁾ for the EGM	:	1 December 2018 at 2.00 p.m.
Date and time of the EGM	:	4 December 2018 at 2.00 p.m.
Expected last date to exercise the Bonus Warrants in order that the subsequent Piggyback Warrants (arising from the exercise of the Bonus Warrants) may also be exercised so that the TMG Shares arising from the exercise of both the Bonus Warrants and the Piggyback Warrants may be issued by 5.00 p.m. on the Books Closure Date ⁽²⁾	:	On or about 9 January 2019
Expected last date to exercise any issued Bonus Warrants OR Piggyback Warrants, as the case may be, so that the TMG Shares arising from the exercise of such Bonus Warrants or Piggyback Warrants, as the case may be, may be issued by 5.00 p.m. on the Books Closure Date ⁽²⁾	:	On or about 21 January 2019
Expected Books Closure Date	:	On or about 22 January 2019 at 5.00 p.m.
Expected effective date of adjustment to exercise prices of the Bonus Warrants and Piggyback Warrants pursuant to the Proposed Distribution	:	On or about 23 January 2019
Expected announcement date of the Cash Alternative	:	On or about 31 January 2019
Expected effective date of the Capital Reduction and the Proposed Further Capital Reduction	:	On or about 4 February 2019
Expected Date of Completion, being the date the RSPH Shares are distributed to Entitled Shareholders	:	On or about 4 February 2019
Expected date that the RSPH share certificates will be posted to RSPH Shareholders	:	Within ten (10) Market Days from the conclusion of the Cash Alternative or such other date as may be announced

Notes:

- (1) All Proxy Forms must be duly completed and deposited at the registered office of the Company at 101 Thomson Road #20-04/05 United Square, Singapore 307591, not later than 72 hours before the time appointed for the EGM. Completion and return of a Proxy Form will not preclude the Shareholder from attending and voting at the EGM if he so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if the Shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

INDICATIVE TIMETABLE

- (2) It is estimated that (i) the Piggyback Warrants will be credited into a Shareholder's Securities Account approximately eight (8) Market Days from his exercise of Bonus Warrants; and (ii) the new TMG Shares will be credited into a Shareholder's Securities Account at 5.00 p.m. on the same day that he exercises his Bonus Warrants or Piggyback Warrants, as the case may be.

Accordingly, Shareholders who exercise their Bonus Warrants and/or Piggyback Warrants, as the case may be, after the dates reflected in the table above do so at their own risk, and in such event, there is no assurance that the new TMG Shares issued to them pursuant to the exercise of their Bonus Warrants or Piggyback Warrants, as the case may be, will be credited into their Securities Account by 5.00 p.m. on the Books Closure Date. **Shareholders who are in any doubt as to the contents herein or course of action that they should take, should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

LETTER TO SHAREHOLDERS

THOMSON MEDICAL GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199908381D)

Directors

Mr Ng Ser Miang (*Chairman and Non-Executive Independent Director*)
Ms Chan Lay Hoon (*Deputy Chairman and Non-Executive Non-Independent Director*)
Mr Tan Wee Tuck (*Executive Director and Chief Executive Officer, Real Estate*)
Mr Quek Hong Sheng Roy (*Executive Director and Chief Executive Officer, Healthcare*)
Mr Lai Huen Poh (*Executive Director and Senior Managing Director, RSP*)
Mr Heng Kim Chuan Freddie (*Non-Executive Non-Independent Director*)
Mr Gary Ho Kuat Foong (*Independent Director*)
Mr Ong Pang Liang (*Independent Director*)

Registered Office

101 Thomson Road
#20-04/05 United Square
Singapore 307591

12 November 2018

To: The Shareholders

Dear Sir/Madam,

(I) THE PROPOSED DISTRIBUTION *IN SPECIE* OF THE GROUP'S DESIGN AND ENGINEERING AND HOSPITALITY BUSINESSES TO SHAREHOLDERS OF THE COMPANY BY WAY OF CAPITAL REDUCTION

(II) THE PROPOSED FURTHER CAPITAL REDUCTION TO WRITE OFF ACCUMULATED LOSSES

1. INTRODUCTION

1.1 The Proposed Distribution by way of Capital Reduction and the Proposed Further Capital Reduction

On 12 November 2018, the Company announced a proposed distribution of its entire interests in its Real Estate Business to Entitled Shareholders via a distribution *in specie* of RSPH Shares by way of a Capital Reduction, in proportion to their respective shareholdings in the Company, on the basis of one (1) RSPH Share for every one (1) TMG Share as at the Books Closure Date to be determined by the Directors for the purpose of determining the entitlement of Shareholders, fractional entitlements (where applicable) to be disregarded. Entitled Shareholders will receive RSPH Shares pursuant to the Proposed Distribution and their names will be entered in the register of members of RSPH to be maintained by the share registrar of RSPH (being M & C Services Private Limited at 112 Robinson Road #05-01 Singapore 068902). Please refer to paragraph 6 of this Circular for further details on the administrative procedures relating to the Proposed Distribution.

No payment and no other form of consideration will be required from Entitled Shareholders for the Proposed Distribution. The RSPH Shares will be distributed free of encumbrances and together with all rights attaching thereto on and from the Date of Completion.

LETTER TO SHAREHOLDERS

For the avoidance of doubt, the Proposed Distribution will be deemed to be completed on the Date of Completion, which shall be determined by the Directors and announced by the Company after the EGM. Any rights to distributions from RSPH will only accrue to the Entitled Shareholders on and from the Date of Completion. Entitled Shareholders will have no right to distributions from RSPH where the books closure date for determining entitlements to such distribution from RSPH falls prior to the Date of Completion.

On 12 November 2018, the Company also announced the Proposed Further Capital Reduction by way of cancellation of the Company's issued and paid-up share capital which is lost or unrepresented by available assets.

The Proposed Corporate Exercises are subject to the approval of the Shareholders and the satisfaction of the conditions precedent set out in paragraph 5 of this Circular.

A copy of the announcement dated 12 November 2018 relating to the Proposed Corporate Exercises is available on the SGX-ST's website at www.sgx.com.

1.2 EGM

The Directors are convening the EGM to seek Shareholders' approval for the Proposed Distribution by way of Capital Reduction and the Proposed Further Capital Reduction. The Notice of EGM is set out on page 49 of this Circular.

1.3 Circular

The purpose of this Circular is to provide Shareholders with information relating to, *inter alia*, the rationale for, the pro forma financial effects of, and to seek Shareholders' approval at the EGM for, the Proposed Corporate Exercises.

1.4 SGX-ST

SGX-ST takes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Circular.

2. THE RESTRUCTURING

Pursuant to the Proposed Distribution, the Company will undertake an internal re-organisation (the "**Restructuring**"), such that the Real Estate Business would be held entirely by the RSPH Group, as illustrated by the corporate structures set out in **Appendix A** to this Circular. The Restructuring is expected to be completed before the Date of Completion.

LETTER TO SHAREHOLDERS

As at the Latest Practicable Date, there are aggregate outstanding balances of S\$69,417,000 owing to the Company from RSPH and certain subsidiaries within the RSPH Group.

Pursuant to the Restructuring:

- (a) the Company will transfer all its shares in RSP Architects, Rowsley Hospitality Holdings Pte. Ltd., Rowsley (SM) Pte Ltd and GG Collections Private Limited to RSPH for an aggregate consideration of S\$87,296,000, the consideration for which will be satisfied by the issuance of new RSPH Shares as described below; and
- (b) concurrent with such transfer, RSPH will undertake the repayment obligations in respect of all the outstanding balances owed by the RSPH Group to the Company amounting in aggregate to S\$69,417,000, which will be capitalised by the issuance of new RSPH Shares as described below.

In consideration of the transfer of the Company's shares in RSP Architects, Rowsley Hospitality Holdings Pte. Ltd., Rowsley (SM) Pte Ltd and GG Collections Private Limited to RSPH and the repayment of the outstanding balances owed by RSPH to the Company as at the Latest Practicable Date, on completion of the Restructuring, RSPH shall issue such number of new RSPH Shares to the Company in such number that, when added to the number of RSPH Shares held by the Company immediately prior to completion of the Restructuring, will amount to a number equivalent to the number of TMG Shares held by Entitled Shareholders as at the Books Closure Date. For the purposes of illustration, assuming that, as at the Books Closure Date, there are 26,072,800,745 TMG Shares held by Entitled Shareholders and TMG holds one (1) RSPH Share, the number of new RSPH Shares to be issued shall be 26,072,800,744.

Presently, the Company is exploring various options, including divestment, in respect of Finestday Limited and Café Football. Should such divestment materialise prior to the completion of the Proposed Distribution, the divested entities would accordingly be excluded from the RSPH Group.

3. THE PROPOSED DISTRIBUTION BY WAY OF CAPITAL REDUCTION

3.1 Background

As at the Latest Practicable Date, the Group's business profile comprises both the Real Estate Business and the Healthcare Business.

The Healthcare Business is engaged in the provision of healthcare services, focusing on O&G and paediatric services in Singapore, and multi-disciplinary tertiary care services and fertility services in Malaysia. The Group's Singapore healthcare network comprises Thomson Medical Centre, a leading private hospital specialising in providing O&G and paediatrics services and also tertiary healthcare services in the area of neonatal intensive care. Together with its tenant doctors who practice in clinics located within Thomson Medical Centre and a wide network of clinics and centres spread across Singapore, it offers a convenient and integrated healthcare network for patients who require O&G, paediatrics and other related services.

LETTER TO SHAREHOLDERS

Within Malaysia, the Group owns Thomson Hospital Kota Damansara (formerly known as “Tropicana Medical Centre”) which provides integrated tertiary medical healthcare. In addition, the Group offers specialised fertility services through the TMC Fertility Centre located within Thomson Hospital Kota Damansara with five other branches across Malaysia. The Group recently started works to expand the number of beds at Thomson Hospital Kota Damansara and has also announced plans to construct the Thomson Iskandar Medical Hub in Johor Bahru, Malaysia.

The Group also owns a parcel of land in Johor Bahru contiguous to the Thomson Iskandar Medical Hub. It intends to develop this parcel into an integrated healthcare and wellness destination known as Vantage Bay Healthcare City. This project will provide an array of medical, wellness and educational facilities and will encompass the Thomson Iskandar Medical Hub.

The Group recognises that, in order to maximise the growth of both the Healthcare Business and the Real Estate Business, it is necessary to separate the principal activities, business strategies and future plans of RSPH from the rest of the Group to enable the management of each entity to better focus on their respective core businesses, geographies and oversee their strategies and operations more effectively. Accordingly, the Group is proposing to undertake a distribution *in specie* of RSPH Shares to Entitled Shareholders.

Upon the completion of the Proposed Distribution, the Company would cease to hold any shares in RSPH and RSPH would consequently cease to be a subsidiary of the Company.

3.2 Information on the Real Estate Business

Incorporated in Singapore, RSPH is a wholly-owned subsidiary of the Company and its principal activities is investment holding. As at the Latest Practicable Date, the issued and paid-up share capital of RSPH is S\$1 comprising one (1) ordinary share. As set out in **Appendix A** to the Circular, upon completion of the Restructuring, the RSPH Group would hold entirely the Real Estate Business.

The design and engineering business of the RSPH Group will comprise RSP Architects, Squire Mech and AC Consortium. RSP Architects is headquartered in Singapore and has overseas presence in the People’s Republic of China, Vietnam, United Arab Emirates, Malaysia and India. Possessing a recognised track record, the multidisciplinary practice offers complementary services spanning across architecture, civil and structural engineering, mechanical and electrical engineering, master planning, urban design, interior design and project management, to clients in both public and private sectors. Several of the key development projects successfully completed by the RSPH Group include ION Orchard, The Orchard Residences, Westgate, ITE Headquarters and ITE College Central @ Ang Mo Kio, Watertown and Waterway Point and CapitaGreen.

An ISO 9000 and ISO 14000 certified company, Squire Mech has a strong track record of providing mechanical & electrical (“**M&E**”) engineering services for major developments and facilities for clients in both the public and private sectors. In 2017, Squire Mech completed M&E consultancy work for 14 projects overseas and in Singapore, such as Carros Centre, Kranji Recreation Centre, Shanghai Amara Hotel and Shangri-La Hotel Yiwu in China.

LETTER TO SHAREHOLDERS

AC Consortium is a leading industrial building design firm in Singapore. It was incorporated in 1999, having evolved from a partnership practice since 1986. Some of its significant projects include Defu Industrial City, One Commonwealth, Cogent 1. Logistics Hub, West Park BizCentral, Loyang Enterprise and Oxley BizHub.

The RSPH Group will also be engaged in the hospitality business. This business comprises Hotel Football, as well as a hotel management and consultancy services company in Singapore, GG Collections. GG Collections operates out of Manchester in the UK.

Hotel Football is a boutique hotel with 133 rooms and a presidential suite, which is located across Old Trafford. Hotel Football opened in March 2015 and its many facilities include the 185-seat football-themed Café Football Manchester, a rooftop football pitch, the Old Trafford Supporters Club in its basement and conference rooms including the stadium suite. The first floor of Hotel Football is the stadium suite, a large conference and banqueting space with an excellent view overlooking Old Trafford. The second to eighth floors are hotel bedrooms. The ninth floor is a banqueting suite named “Heaven” which doubles up as 5-a-side pitch with a retractable roof.

GG Collections is in the business of management and growing hotel and restaurant chains, both in UK and overseas. It owns the Hotel Football and Café Football brands which have been licensed to Hotel Football and Café Football. Under the stewardship of its directors, Gary Neville and Ryan Giggs, it successfully launched Hotel Football, making it one of the most popular hotels in Manchester. GG Hospitality Management Limited, the operating subsidiary of GG Collections, boasts an experienced management team with many years of experience in leading international hotels and restaurants. It currently manages Hotel Football in Manchester as well as the Café Football restaurants in London and Manchester.

Rowsley (SM) Pte Ltd was incorporated to undertake a joint-venture with, among others, football legends Gary Neville and Ryan Giggs, to develop St. Michael’s, a mixed-use development located in the heart of Manchester’s city centre. The development scheme comprises a 5-star hotel, luxury apartments, Grade A offices, retail and leisure spaces. The Company is currently in the process of re-negotiating the joint-venture.

3.3 Rationale for the Proposed Distribution

The Group intends to undertake the Proposed Distribution as the Directors believe that it will benefit the Company and Shareholders for the reasons outlined below.

3.3.1 More reflective valuation

The existing activities of the Company comprise the Healthcare Business and the Real Estate Business.

As stated in the Company’s circular to Shareholders dated 28 February 2018, following the completion of a very substantial acquisition of Thomson Medical Pte. Ltd. and TMC Life Sciences Berhad, the Company’s current focus is to develop and grow its Healthcare Business and that it will divest its Real Estate Business.

LETTER TO SHAREHOLDERS

The Healthcare Business and Real Estate Business are distinctly different, and investors tend to apply different valuation metrics based on the industry. The Directors believe that the Proposed Distribution will enable Shareholders and potential investors to independently value the businesses of the RSPH Group as well as the Company based on their respective performance, growth potential and underlying value.

3.3.2 Enhancing value for Shareholders

Following the Proposed Distribution, the Entitled Shareholders will become direct shareholders of RSPH. The Proposed Distribution will enable the Company to return value to Shareholders free of payment. Entitled Shareholders will then hold shares in two (2) separate pure-play companies, namely TMG and RSPH. For the financial period ended 30 September 2018, the Group recorded overall net profits where the profits attributable to the Healthcare Business were partially offset by the losses attributable to the Real Estate Business. Accordingly, the Proposed Distribution would allow the overall financial performance metrics of TMG to improve and be aligned with that of the healthcare industry. Pursuant to the Proposed Distribution, the Company, being one of the largest pure-play healthcare companies listed on the SGX-ST by market capitalisation, expects to attract greater investor interest and widen its investor base and thereafter lead to an improvement in the trading liquidity of TMG Shares.

Upon the provision of the Cash Alternative which will be announced prior to the completion of the Proposed Distribution, Entitled Shareholders would have the opportunity to receive cash from the sale of RSPH Shares in the short term. Should Entitled Shareholders wish to hold on to the unlisted RSPH Shares, they will then be able to participate and enjoy the benefits of any liquidity event that may take place in the future. Any such liquidity event is subject to risks, uncertainties and other factors, and there is no assurance that any such liquidity event will materialise. Entitled Shareholders will be able to separately manage their portfolio holdings in these companies in accordance with their individual investment objectives.

The RSPH Shares distributed via the Proposed Distribution are NOT listed on the SGX-ST. Accordingly, the transfer and purchase of such shares in RSPH will be subject to, *inter alia*, the Constitution of RSPH respectively and the applicable laws and regulations relating to the transfer and purchase of shares in Singapore.

3.3.3 Enable Management's focus on core businesses

The Proposed Distribution will separate the principal activities, business strategies and future plans of the RSPH Group from the rest of the Group and will enable the management of each entity to fully concentrate on their respective core business and oversee their strategies and operations more effectively.

LETTER TO SHAREHOLDERS

In addition, each of the management teams of RSPH and TMG will be able to fully direct their efforts into growing and developing the Real Estate Business and the Healthcare Business respectively.

3.4 Conversion

In conjunction with the Proposed Distribution, RSPH will be converted from a private limited company to a public limited company. Following the completion of the Proposed Distribution, Entitled Shareholders will hold shares in RSPH, which will be a public Singapore company whose shares are not listed or quoted on the Official List of the SGX-ST or any securities exchange or any other regulated markets, and Entitled Shareholders will therefore not be able to easily trade in such RSPH Shares. Please refer to paragraph 7 of this Circular for further information.

RSPH has set up a corporate website at www.rsph.sg, which will serve as a channel for communication with shareholders, providing access to corporate announcements, press releases, financial statements and notices of general meetings. During general meetings, RSPH Shareholders will have access to the board of RSPH and will be able to pose questions to the directors of RSPH on their management of RSPH including the results of their growth strategies and decisions.

3.5 Details of the Proposed Distribution by way of Capital Reduction

The Company will undertake the Proposed Distribution by way of Capital Reduction pursuant to Section 78G read with Section 78I of the Companies Act.

The Capital Reduction will be effected by reducing the Company's shareholders' equity by S\$155,973,000, taking into account the pro forma net book value of RSPH upon completion of the Restructuring as at 30 September 2018 but there will not be any cancellation of TMG Shares or reduction in the number of issued TMG Shares. Accordingly, the number of Shares in the Company held by each of the Shareholders will remain the same before and immediately after the Capital Reduction.

3.6 Group structures before and after the completion of the Proposed Distribution

The Group structures before and after the completion of the Proposed Distribution are set out in **Appendix A** to this Circular.

LETTER TO SHAREHOLDERS

3.7 Proposed directors of TMG and RSPH after the completion of the Proposed Distribution

The respective directors for each of the boards of TMG and RSPH who are identified or appointed in connection with the Proposed Distribution are as follows:

TMG		
Name	Position	Responsibilities
Mr Ng Ser Miang	Chairman and Non-Executive Independent Director	Responsible for leadership and the overall effectiveness of the TMG Board, board committees and individual directors. Also represents the TMG Board to shareholders and to ensure the integrity of the governance process of the TMG Board
Mr Quek Hong Sheng Roy	Executive Director and Chief Executive Officer	Oversees the Healthcare Business and to chart and implement the board approved corporate direction and strategy
Mr Heng Kim Chuan Freddie	Non-Executive Non-Independent Director	Strategic planning and oversee the corporate finance transactions of TMG
Mr Gary Ho Kuat Foong	Independent Director	Exercises objective judgement on corporate affairs independently so as to facilitate effective decision-making and ensures sufficient safeguards and checks are in place to protect minority shareholders
Mr Ong Pang Liang	Independent Director	
RSPH		
Name	Position	Responsibilities
Ms Chan Lay Hoon	Chairman and Executive Director	Represents the RSPH board to shareholders and to formulate business strategy and direction. Plays a significant leadership role by providing clear oversight, direction, advice and guidance to the Chief Executive Officer on strategies
Mr Tan Wee Tuck	Executive Director and Chief Executive Officer	Oversees the Real Estate Business and to chart and implement the board approved corporate direction and strategy
Mr Gary Ho Kuat Foong	Independent Director	Exercises objective judgement on corporate affairs independently so as to facilitate effective decision-making and ensures sufficient safeguards and checks are in place to protect minority shareholders
Mr Ong Pang Liang	Independent Director	

The proposed directors of RSPH after the Proposed Distribution are members of the Board as at the Latest Practicable Date. Ms Chan Lay Hoon is the Deputy Chairman and a Non-Executive Non-Independent Director of the Company, Mr Tan Wee Tuck is an Executive Director and the Chief Executive Officer, Real Estate, of the Company and both Mr Gary Ho Kuat Foong and Mr Ong Pang Liang are Independent Directors of the Company.

LETTER TO SHAREHOLDERS

No interested person transactions between TMG and the RSPH Group are contemplated, and given that the Healthcare Business and the Real Estate Business are separate and distinct, there is not likely to be any conflict of interests between the directors of TMG and RSPH.

3.8 Entitlements to the RSPH Shares

Under the Proposed Distribution, the Company will distribute its entire holdings of RSPH Shares to Entitled Shareholders, on the basis of one (1) RSPH Share for every one (1) TMG Share held as at the Books Closure Date, fractional entitlements (where applicable) to be disregarded.

For illustrative purposes, an Entitled Shareholder who holds:

- (a) 1 TMG Share as at the Books Closure Date would receive 1 RSPH Share;
- (b) 10 TMG Shares as at the Books Closure Date would receive 10 RSPH Shares; and
- (c) 100 TMG Shares as at the Books Closure Date would receive 100 RSPH Shares.

Shareholders should note that as fractional entitlements (where applicable) shall be disregarded, any Shareholder who holds less than one (1) TMG Share will NOT receive any RSPH Share, and shall not be entitled to make any claim whatsoever against the Company or any other person in connection therewith.

As at the Latest Practicable Date, the Company has an Existing Issued Share Capital comprising 26,072,800,745 TMG Shares, as well as 9,475,784,822 Bonus Warrants and 1,050,000 Piggyback Warrants in issue. Save for the aforementioned Bonus Warrants and Piggyback Warrants, the Company does not have any other outstanding convertible securities as at the Latest Practicable Date.

The Company has commissioned the Valuer, BDO Advisory Pte Ltd, to undertake a valuation of the RSPH Group as at 30 September 2018. Based on the Summary Valuation Report dated 7 November 2018, the value of the RSPH Group is between S\$144.1 million and S\$158.7 million, and the distribution value of approximately S\$156.0 million for the RSPH Group is at a slight premium of approximately 3.31% to the base case equity value being the mid-point referred to in the Summary Valuation Report of S\$151.0 million.

A copy of the Summary Valuation Report dated 7 November 2018 is attached as **Appendix B** to this Circular.

LETTER TO SHAREHOLDERS

For illustrative purposes and based on the Existing Issued Share Capital, the value of each RSPH Share to be received by each Entitled Shareholders shall be in the range of 0.35 cents per RSPH Share to 0.60 cents per RSPH Share as follows:

	Assuming that no Bonus Warrants or Piggyback Warrants are exercised	Assuming that all outstanding Bonus Warrants are exercised, but no Piggyback Warrants are exercised	Assuming that all outstanding Bonus Warrants and Piggyback Warrants⁽¹⁾ are exercised
Pro forma net book value of RSPH to be distributed	S\$155,973,000	S\$155,973,000	S\$155,973,000
No. of TMG Shares in issue	26,072,800,745	35,548,585,567	45,025,420,389
No. of RSPH Shares to be distributed based on the distribution ratio of one (1) RSPH Share for every one (1) TMG Share ⁽²⁾	26,072,800,745	35,548,585,567	45,025,420,389
Value of each RSPH Share to be distributed	0.60 cents	0.44 cents	0.35 cents

Notes:

(1) Includes the number of Piggyback Warrants to be issued pursuant to the exercise of outstanding Bonus Warrants

(2) Assuming all Shares are held by Entitled Shareholders as at the Books Closure Date

The final number of RSPH Shares received by each Entitled Shareholder will depend on, *inter alia*, the total number of TMG Shares held by that Entitled Shareholder as at the Books Closure Date. As such, the value of each RSPH Share to be distributed is theoretical as at the Latest Practicable Date.

The pro forma net book value of RSPH upon completion of the Restructuring is approximately S\$155,973,000 based on the Group's unaudited financial statements as at 30 September 2018. The Company's shareholders' equity would be reduced by such an equivalent amount pursuant to the Capital Reduction.

3.9 No payment required

No payment will be required from Entitled Shareholders for the Proposed Distribution. The RSPH Shares will be distributed free of encumbrances and together with all rights attaching thereto on and from the Date of Completion.

LETTER TO SHAREHOLDERS

3.10 Adjustments to the Bonus Warrants and Piggyback Warrants exercise prices

Pursuant to the terms and conditions of the Bonus Warrants and Piggyback Warrants as set out in their respective Deed Polls, whenever the Company makes a distribution in cash or *in specie* (other than dividends), the respective exercise prices of the Bonus Warrants and Piggyback Warrants shall be adjusted in accordance with such terms and conditions.

For illustrative purposes only, based on the Existing Issued Share Capital, the existing number of Bonus Warrants and Piggyback Warrants and assuming a current market price⁽¹⁾ of S\$0.08 per Share as at 9 November 2018 (being the Market Day immediately preceding the date on which the Proposed Distribution was announced), the following adjustments will be made to the exercise price of the Bonus Warrants and Piggyback Warrants:

Before Adjustments		After Adjustments	
Exercise price of each Bonus Warrant	Exercise price of each Piggyback Warrant	Exercise price of each Bonus Warrant	Exercise price of each Piggyback Warrant
S\$0.09	S\$0.12	S\$0.08	S\$0.11

Note:

- (1) As defined in the terms and conditions of the Bonus Warrants and Piggyback Warrants, the current market price in relation to each Share for any relevant Market Day shall be the average of the last dealt prices (rounded down to nearest S\$0.01 per Share) of Shares quoted on the Main Board of the SGX-ST for the 5 consecutive Market Days (on each of which trading of the Shares on the Main Board of the SGX-ST has been transacted) immediately preceding that Market Day.

The adjustments to the exercise prices of the Bonus Warrants and the Piggyback Warrants respectively are subject to certification by the Company's auditors and will be effective from the commencement of the Market Day next following the Books Closure Date. The Company will make an announcement of such adjusted exercise prices at the appropriate juncture.

For the avoidance of doubt, in accordance with the terms and conditions of the Deed Polls, the exercise prices of the Bonus Warrants and Piggyback Warrants would not be adjusted pursuant to the Proposed Further Capital Reduction.

3.11 Earn-out Shares

The Company had previously announced on 20 June 2016 and 23 May 2017 the acquisition of shares in Squire Mech and AC Consortium respectively (the "**Acquired Entities**"), from various vendors (the "**Vendors**") by RSP Architects. Pursuant to the sale and purchase agreements, it was agreed that up to 148,480,544 TMG Shares (the "**Earn-out Shares**") are to be issued by the Company to the Vendors, contingent upon the achievement of certain earn-out targets between 2019 and 2020.

The SGX-ST had approved in principle the listing and quotation of these Earn-out Shares on 1 August 2016 and 19 June 2017. As at the Latest Practicable Date, the Earn-out Shares represent approximately 0.57% of the Existing Issued Share Capital.

LETTER TO SHAREHOLDERS

The Acquired Entities are owned by RSP Architects and will form part of the RSPH Group, which is the subject of the Proposed Distribution. As the sale and purchase agreements for Squire Mech and AC Consortium were negotiated and signed between RSP Architects and the Vendors, the contractual obligation is with RSPH to fulfil the payment of the Earn-out Shares should the earn-out targets be met. Accordingly, upon completion of the Proposed Distribution, the earn-out obligation will remain with RSPH and the Company is not required to issue any TMG Shares as payment to the Vendors.

4. PROPOSED FURTHER CAPITAL REDUCTION TO WRITE OFF ACCUMULATED LOSSES

Further, concurrent with the Proposed Distribution, the Company would undertake the Proposed Further Capital Reduction pursuant to Section 78G read with Section 78I of the Companies Act, by way of cancellation of the Company's issued and paid-up share capital which is lost or unrepresented by available assets.

As at 30 September 2018, the Company's issued and paid-up share capital and accumulated losses were S\$2,772,202,000 and S\$281,194,000 respectively. The Further Capital Reduction will involve a write-off of approximately S\$281,194,000 in accumulated losses of the Company as at 30 September 2018 and will concurrently result in the Company's issued and paid-up share capital being reduced by S\$281,194,000.

The Proposed Further Capital Reduction will not result in any cancellation of TMG Shares nor will it involve the payment to any Shareholder of any paid-up share capital of the Company. Accordingly, the total number and proportion of TMG Shares held by the Shareholders will remain the same before and immediately after the Proposed Further Capital Reduction.

The purpose of the Proposed Further Capital Reduction is to rationalise the balance sheet of the Company to more accurately reflect the value of its underlying assets and thus the financial position of the Company. In addition, the Company would be in a better position to retain future profits if the accumulated losses are written off. This will help the Company to return to a healthier balance sheet sooner.

5. CONDITIONS PRECEDENT TO THE PROPOSED CORPORATE EXERCISES

Completion of the Proposed Corporate Exercises are conditional on, *inter alia*, the following:

- (a) the approval of Shareholders, by way of special resolutions, for the Proposed Distribution by way of Capital Reduction, and the Proposed Further Capital Reduction being obtained at an EGM to be convened;
- (b) such other approvals, authorisations, consents and confirmations from the regulatory authorities as may be required or advisable and the same remaining in force, including without limitation such approvals from the High Court of Singapore, SGX-ST and other third parties being obtained for or in connection with the Proposed Distribution by way of Capital Reduction and/or the Proposed Further Capital Reduction, and if such approvals are given subject to any conditions, such conditions being acceptable to the Company; and

LETTER TO SHAREHOLDERS

- (c) in relation to the Capital Reduction and the Proposed Further Capital Reduction, the Company complying with the requirements under the Companies Act.

The Company has also undertaken to SGX-ST that it shall announce or cause to be announced the Cash Alternative no later than seven (7) Market Days from the Books Closure Date and, in this connection, an independent financial adviser will be appointed to opine on whether the financial terms of the Cash Alternative are fair and reasonable. The opinion of the independent financial advisor will be made publicly available to the RSPH Shareholders in due course. In any event, the completion of the Proposed Distribution by way of Capital Reduction shall not be effected if there is no fair and reasonable Cash Alternative.

6. ADMINISTRATIVE PROCEDURES RELATING TO THE PROPOSED DISTRIBUTION

6.1 Books Closure Date

The Company will announce the Books Closure Date as soon as practicable after the conditions in paragraph 5 above have been satisfied.

6.2 Shareholders (being Depositors) whose TMG Shares are deposited with CDP

In the case of Shareholders (being Depositors), entitlements to the RSPH Shares will be determined on the basis of the number of TMG Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date. Shareholders (being Depositors) are required to take the necessary actions to ensure that the TMG Shares owned by them are credited to their Securities Accounts by the Books Closure Date.

6.3 Scrip Shareholders whose TMG Shares are not deposited with CDP

In the case of Scrip Shareholders whose TMG Shares are not deposited with CDP, entitlements to the RSPH Shares will be determined on the basis of their holdings of TMG Shares appearing in the Register of Members as at the Books Closure Date. Persons who own TMG Shares and who have not already done so, are requested to take the necessary actions to ensure that the TMG Shares owned by them are registered in their names or in the names of their nominees in the Register of Members by the Books Closure Date.

6.4 CPFIS Investors

In the case of CPFIS Investors, entitlements to the RSPH Shares will be determined on the basis of the number of TMG Shares held by the CPF-approved agent banks on behalf of each CPFIS Investor as at the Books Closure Date.

6.5 Investors whose TMG Shares were purchased using SRS funds

In the case of investors who have purchased TMG Shares using their SRS funds, entitlements to the RSPH Shares will be determined on the basis of the number of TMG Shares held by the relevant approved banks on behalf of each such investor as at the Books Closure Date.

LETTER TO SHAREHOLDERS

6.6 Investors whose TMG Shares are held through a finance company and/or a Depository Agent

In the case of investors who hold TMG Shares through a finance company and/or a Depository Agent, entitlements to the RSPH Shares will be determined on the basis of the number of TMG Shares held by the finance companies and/or the Depository Agents on behalf of such investors as at the Books Closure Date.

6.7 Overseas Shareholders

The Proposed Distribution to Overseas Shareholders whose registered addresses as at the Books Closure Date (as recorded in the Register of Members of the Company or in the Depository Register maintained by CDP) are outside Singapore may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Overseas Shareholders are required to inform themselves of and to observe any such prohibition or restriction at their own expense and without liability to the Company.

For practical reasons and in order to avoid violating applicable securities laws outside Singapore, the RSPH Shares will NOT be distributed to Overseas Shareholders who have not, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01 Singapore 068902 or CDP, as the case may be, with addresses in Singapore for the service of notices or documents in accordance with the foregoing.

Accordingly, Overseas Shareholders whose registered addresses as at the Books Closure Date are outside Singapore will NOT receive the RSPH Shares in the Proposed Distribution and shall not be entitled to make any claim whatsoever against the Company or any other person in connection therewith.

6.8 Holders of Bonus Warrants and Piggyback Warrants

As only Entitled Shareholders will be eligible to participate in the Proposed Distribution, holders of Bonus Warrants and/or Piggyback Warrants, as the case may be, who wish to participate in the Proposed Distribution will be required to exercise their Bonus Warrants and/or Piggyback Warrants, as the case may be, such that they shall be Shareholders with Singapore addresses as at the Books Closure Date. Shareholders should refer to the indicative timetable on page 10 of this Circular for the indicative dates and times of events relating to the Proposed Distribution, and those who may require advice in the context of their specific investments should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

LETTER TO SHAREHOLDERS

7. UNLISTED RSPH SHARES

Following the Date of Completion, Entitled Shareholders will hold shares in RSPH, a public Singapore company whose shares are not quoted on the Official List of the SGX-ST, any securities exchange or any regulated markets. In order to provide flexibility for RSPH Shareholders who do not wish to hold shares in an unlisted company, the Company is currently exploring options to provide an exit alternative in the form of cash to RSPH Shareholders so that they may choose to receive cash in consideration for all (and not part of) their RSPH Shares following the Proposed Distribution by way of Capital Reduction (the “**Cash Alternative**”).

Pursuant to the requirement from SGX-ST that a fair and reasonable Cash Alternative be provided, the Company has undertaken to SGX-ST that:

- (a) completion of the Proposed Distribution by way of Capital Reduction shall not be effected without the Cash Alternative having been announced; and
- (b) it shall announce or cause to be announced the Cash Alternative no later than seven (7) Market Days from the Books Closure Date and, in this connection, an independent financial adviser will be appointed to opine on whether the financial terms of the Cash Alternative are fair and reasonable. The opinion of the independent financial advisor will be made publicly available to the RSPH Shareholders in due course.

For avoidance of doubt, the Proposed Distribution will not take place if there is no fair and reasonable Cash Alternative.

The aggregate amount of the Cash Alternative will be no less than the distribution amount of RSPH to be distributed, being S\$155,973,000, and the cash amount which RSPH Shareholders shall receive in respect of each RSPH Share pursuant to the Cash Alternative shall be no less than the aggregate amount of the Cash Alternative divided by the total number of RSPH Shares to be distributed to the Entitled Shareholders (which shall be equivalent to the number of TMG Shares held by Entitled Shareholders as at the Books Closure Date).

LETTER TO SHAREHOLDERS

Purely for illustrative purposes and assuming that the number of TMG Shares held by Entitled Shareholders as at the Books Closure Date is 26,072,800,745 (being the number of TMG Shares in issue as at the Latest Practicable Date) and the aggregate amount of the Cash Alternative is S\$155,973,000, the cash amount which RSPH Shareholders shall receive in respect of each RSPH Share pursuant to the Cash Alternative shall be no less than as follows:

	Assuming that that no Bonus Warrants or Piggyback Warrants have been exercised	Assuming that all the Bonus Warrants are exercised and no Piggyback Warrants are exercised	Assuming that all the Bonus Warrants and Piggyback Warrants are exercised
Aggregate amount of the Cash Alternative	S\$155,973,000	S\$155,973,000	S\$155,973,000
No. of RSPH Shares to be distributed based on the distribution ratio of one (1) RSPH Share for every one (1) TMG Share held by Entitled Shareholders	26,072,800,745	35,548,585,567	45,025,420,389
Cash amount received in respect of each RSPH Share	0.60 cents	0.44 cents	0.35 cents

In view of the Cash Alternative, no share certificate in respect of the RSPH Shares will be posted to RSPH Shareholders pending the finalisation and implementation of the Cash Alternative arrangements. Share certificates will be posted to RSPH Shareholders within ten (10) Market Days after the conclusion of the Cash Alternative or such other date as may be announced. **Nonetheless, any RSPH Shareholder who wishes to receive his share certificate during this interim period may make a written request to the share registrar of RSPH for his share certificate to be posted to him within five (5) Market Days from the receipt of such written request.**

It is intended that upon completion of the Proposed Distribution, the names of the RSPH Shareholders (being the Shareholders as reflected in the Register of Members or Depository Register, as the case may be, as at the Books Closure Date) shall be entered into the electronic register of members of RSPH maintained by the share registrar of RSPH. At the same time, each RSPH Shareholder will be sent a statement of holdings showing the number of RSPH Shares that such RSPH Shareholder has received (such number of RSPH Shares being equivalent to the number of TMG Shares in the relevant Shareholder's Securities Account as at 5.00 p.m. on the Books Closure Date).

LETTER TO SHAREHOLDERS

After the Date of Completion, any RSPH Shareholder who decides not to continue to hold the unlisted RSPH Shares, may choose to sell all or such numbers of RSPH Shares as he may, in his absolute discretion decide, to ANY willing purchaser(s) at any time, subject to all applicable laws.

For the avoidance of doubt, CDP will **NOT** custodise the RSPH Shares received by Entitled Shareholders upon completion of the Proposed Distribution and all ownership of RSPH Shares will be represented by physical share certificate(s).

Shareholders should also note that any transfer or sale of unlisted or unquoted shares represented by share certificates will be subject to a stamp duty of S\$0.20 for every S\$100.00 or part thereof of the consideration or the net asset value of the shares transferred based on the latest available financial statements, whichever is higher.

Any RSPH Shareholder who intends to sell all or such numbers of his RSPH Shares may wish to seek independent legal and other advice to ensure compliance with applicable laws and other requirements.

As RSPH will not be listed on the SGX-ST and will accordingly not be using the SGXNET system, RSPH has set up a corporate website at www.rsph.sg, which will serve as a channel for communication with shareholders, providing access to corporate announcements, press releases, financial statements and notices of general meetings. During general meetings, RSPH Shareholders will have access to the board of RSPH and will be able to pose questions to the directors of RSPH on their management of RSPH including the results of their growth strategies and decisions.

Any queries relating to the registration or transfer of the RSPH Shares can also be directed to M & C Services Private Limited, the share registrar of RSPH, at +65 6228 0530 or at 112 Robinson Road #05-01 Singapore 068902.

8. RISK FACTORS

Shareholders should carefully consider and evaluate each of the following risk factors (which are not intended to be exhaustive) and all other information contained in this Circular. The following describes some of the significant known risks now that could directly or indirectly affect the RSPH Group and any investments in RSPH Shares respectively. The following does not state risks unknown to the Company as at the Latest Practicable Date but which could occur in the future and risks which the Company currently believes to be immaterial, which could turn out to be material.

8.1 The RSPH Group is dependent on its ability to retain key personnel

The RSPH Group's continued success is dependent on its ability to retain key personnel and the continued commitment of such personnel. To ensure its continued success, the rejuvenation of the leadership of the RSPH Group, in particular, identifying suitable replacements and successors for the leadership team is critical. The loss of services of key executives without suitable and timely replacements may disrupt the RSPH Group's business operations and consequentially, adversely affect its results of operations, financial performance and prospects. Even if the RSPH Group were able to find suitable replacements and successors, there is no assurance that such replacements and successors of the leadership team will succeed in fostering clients' relationships and maintaining the market positioning of the RSPH Group.

LETTER TO SHAREHOLDERS

Further, the RSPH Group may, from time to time, face difficulties in recruiting and retaining technical personnel, skilled labour and professionals such as architects, engineers and consultants due to the specialised nature of such professions. Further, the market for well qualified architects, engineers and consultants is competitive and the RSPH Group may experience difficulty in hiring employees with appropriate qualifications and experience. In the event that the RSPH Group fails to recruit and/or retain sufficient qualified personnel to meet its business requirements, the RSPH Group's operations and expansion plans would be materially and adversely affected. The RSPH Group may also have to pay substantial remuneration to attract specialised personnel which could adversely affect the RSPH Group's operating margins and profitability.

8.2 There is no absolute assurance that the RSPH Group will continue to secure new projects and continue to have the support of its clients

As the RSPH Group's business is undertaken on a project basis and such projects are non-recurring, it is critical that the RSPH Group secures new projects of similar or higher value on a continuous basis. The profitability of the business of the RSPH Group is dependent on its ability to stay abreast of market developments, build on past clients' relationships and secure a continuous pipeline of projects from existing and new clients. In the event that the RSPH Group is unable to secure new projects on a continuous basis or there is a significant lapse of time between the completion of existing projects and the commencement of subsequent projects, the RSPH Group's profitability and financial performance may be adversely affected.

The continued success of the business of the RSPH Group depends on the support of its existing clients. The RSPH Group will need to continuously strive to meet its clients' expectations and maintain good relationships with its existing clients. In the event that its competitors are able to provide comparable services at lower prices or respond to changes in market conditions more swiftly and effectively than the RSPH Group, this may result in the loss of tender bids and projects or the lowering of profit margins, all of which will adversely affect the RSPH Group's operations and financial performance. There is no assurance that the RSPH Group will be able to compete effectively with its existing and future competitors and adapt quickly to changing market conditions and trends. Any failure by the RSPH Group to remain competitive will adversely affect the demand for its services, operating results and financial performance. There is no assurance that the RSPH Group will not lose the support of its key existing clients after completion of the Proposed Distribution and any such loss will have an adverse impact on the financial performance and prospects of the RSPH Group.

8.3 The RSPH Group's order books may not be an accurate indicator of its future performance

The RSPH Group's order books may not be an accurate indicator of its future performance as it has not taken into account any potential delays, re-negotiations or cancellations of orders in calculating its order books, the occurrence of any of which will have an adverse impact on its revenue. Potential delays, re-negotiations or cancellations may be due to factors beyond its control and by nature, are uncertain. There is therefore no assurance that the RSPH Group can successfully transform all its existing orders into revenue.

Further, the RSPH Group's clients retain the right to change, vary, cancel or terminate any contract and/or make any assignment subject to the terms and conditions thereunder and upon occurrence of certain events. Accordingly, the RSPH Group is unable to guarantee

LETTER TO SHAREHOLDERS

that all of its existing contracts or its order books will be fulfilled or if fulfilled, will be fulfilled within the expected financial period.

8.4 The profit margin achieved in a financial year/period is not an accurate indicator of the profit margin that may be achieved in a subsequent financial year/period

The profit margin achieved by the RSPH Group in a financial year/period is not an accurate indicator of its profit margin that may be achieved in a subsequent financial year/period. As its projects vary in terms of specifications, complexity and scale and face different competitive conditions at the time of bidding, this will give rise to varying project margins. Therefore, in any particular financial period, the overall blended margin of projects achieved by the RSPH Group for that financial period varies according to the mix of projects at hand.

8.5 The financial performance of the RSPH Group is subject to there being no delay and/or cancellations of secured projects

Any cancellation or delay in the commencement of secured projects due to factors such as changes in clients' businesses, poor market conditions and lack of funds on the part of the project owners may adversely affect the RSPH Group. Any cancellation or delay of projects could lead to idle or excess capacity, and in the event that the RSPH Group is unable to secure replacement projects on a timely basis, this may adversely affect its business operations and financial conditions.

8.6 The RSPH Group, in particular RSP Architects and its subsidiaries, is dependent on the cyclical nature of the building and construction industry in Singapore and other countries, which is in turn dependent on the health of the property market and general economy

The RSPH Group, in particular RSP Architects and its subsidiaries, is exposed to the cyclical fluctuations of the building and construction industry in Singapore and other countries in which it operates, which is in turn dependent on the health of the property market and the general economy. As most of its revenue is generated from Singapore, the business and future growth of the RSPH Group is to a large extent dependent on the economic, regulatory, political and social conditions in Singapore. A downturn in the Singapore economy will dampen general sentiments in the property market in Singapore and reduce demand in construction activities in the private sector. This will invariably have an adverse effect on the business and financial performance of the RSPH Group as a result of reduced orders and/or profit margin erosion.

8.7 The RSPH Group is subject to government regulations of the countries in which the RSPH Group operates its business

The RSPH Group is subject to various laws and regulations in the countries which it intends to operate its real estate business. The RSPH Group may be required to obtain licences, permits, certificates, consents or regulatory approvals for its business. If the RSPH Group fails to obtain the requisite licences, permits or approvals in the relevant country, or if the RSPH Group fails to renew the licences, permits or approvals upon their expiration, the RSPH Group will not be able to operate or continue to operate its real estate business in such country.

The RSPH Group must also comply with the laws and regulations applicable to its real estate business, failing which the RSPH Group may be subject to penalties, have its

LETTER TO SHAREHOLDERS

licences, permits or approvals revoked, or lose its right to operate its real estate business in the relevant country. This may have a material and adverse impact on the RSPH Group's business, financial conditions, results of operations and prospects.

8.8 The business and expansion plans of the RSPH Group may require further financing for future growth

To date, the RSPH Group relies largely on capital from the Group. As at the Latest Practicable Date, there are aggregate outstanding balances of S\$69,417,000 owing to the Company from RSPH and certain subsidiaries within the RSPH Group. As stated in paragraph 2 of this Circular, it is intended that such outstanding balances shall be capitalised by the issuance of new RSPH Shares to the Company.

In order for the RSPH Group to execute its growth strategies, it may require additional capital through equity or debt financing. The ability of the RSPH Group to raise capital is dependent on factors including, among other things, the prevailing economic conditions in Singapore and globally, the ongoing financial condition and results of operations of the RSPH Group, the state of the capital and credit markets, government regulations and the acceptability of the funding terms offered.

It is not certain that the RSPH Group will be able to obtain additional funds, either on a short-term or a long-term basis, when capital is required. If the RSPH Group is unable to secure necessary funding or secure such funding on terms which are favourable to it, or at all, whether through external debt financing, equity financing and/or internally generated cash flows, the business and prospects of the RSPH Group may be materially and adversely affected.

8.9 The RSPH Group is subject to changes in government regulations of the relevant countries where it operates its business

The RSPH Group may be affected if there are changes in government regulations in the country in which the RSPH Group operates its Real Estate Business as it may result in the RSPH Group being unable to complete any property development project, or sell any completed property development project. This may adversely affect the RSPH Group's business and financial performance. In the event any government regulations are changed, the RSPH Group may not be able to comply with the new government regulations without incurring additional costs, and where insufficient notice of the change is provided, the RSPH Group may not be able to comply with the new government regulations within the stipulated time frame. There can also be no assurance that the licences, approvals and agreements will be renewed upon their expiration on commercially reasonable terms, if at all.

Changes in the business environment for jurisdictions in which the RSPH Group operates may include delays in procuring the necessary relevant approvals, licences or certificates from government bodies, changes in laws, regulations and policies in relation to property development, fluctuation in demand for properties, delays in construction schedules due to poor weather conditions, labour disputes and fluctuation in costs of construction materials and other costs of development. Such delays may result in the RSPH Group incurring additional costs, thus affecting the business and financial performance of the RSPH Group.

LETTER TO SHAREHOLDERS

8.10 The RSPH Group may face intense competition from existing and potential competitors

The real estate business is highly competitive, with strong competition from established industry participants and possibly from new entrants in the relevant countries. The RSPH Group may not be able to provide comparable services at lower prices or respond more quickly to market trends than existing or potential competitors who may have larger financial resources and stronger track records. In the event that the RSPH Group is unable to compete in the relevant country where it intends to operate its real estate business, the RSPH Group's business and financial performance will be adversely affected.

8.11 The RSPH Group is susceptible to fluctuation in foreign exchange rates that could result in the RSPH Group incurring foreign exchange losses

The RSPH Group's functional and presentation currency is denominated in S\$. Any depreciation in the foreign exchange rates against the S\$ may affect the RSPH Group's profitability and financial position. In the event of an unfavourable fluctuation of the foreign currencies in countries the RSPH Group operates against the S\$, it could result in the RSPH Group incurring foreign exchange losses and the RSPH Group's business and financial performance may be adversely affected.

8.12 Macroeconomic factors beyond the control of the RSPH Group may adversely affect their businesses, financial condition and results of operations

The business of the RSPH Group may be affected by macroeconomic factors, such as general economic conditions, market sentiment and consumer confidence. Various factors may influence these macroeconomic conditions, including, but not limited to, unemployment rates, real disposable income, inflation, recession, stock market performance, the interest rate environment, the availability of consumer credit, as well as regulatory (including fiscal and other governmental policies), social or political changes, all of which are beyond the control of the RSPH Group. Any adverse macroeconomic conditions may result in consumers becoming more budget-conscious and price sensitive, which may result in a decrease in discretionary consumer spending. In such circumstances, the businesses, financial condition and results of operations of the RSPH Group may be materially and adversely affected.

The business and operations of the RSPH Group may also be materially and adversely affected by unforeseeable circumstances and other factors such as changes in consumer preferences and consumer spending, labour disputes and natural or other catastrophes, which may disrupt the operations of the RSPH Group and cause loss and damage to its operations and facilities, as well as terrorist attacks or other acts of violence which may materially and adversely affect the global financial markets and business and consumer confidence. If any of these events occur, the businesses, financial condition and results of operations of the RSPH Group may be materially and adversely affected.

In particular, the recent rounds of interest rate hikes by a large number of central banks have brought into focus the end of the era of suppressed low interest rates and the risk that interest rates may continue to rise. A heightened interest rate environment impairs the availability and affordability of loans and mortgages in those countries and markets where the RSPH Group operates. This could dampen sentiment and slow the launch of both commercial and residential projects, thereby having a negative impact on the business and growth potential of the RSPH Group.

LETTER TO SHAREHOLDERS

In Singapore, the government has introduced a slew of measures designed to slow the sharp increase in residential property prices. These include additional stamp duty, which increases transaction costs, and restrictions on the number of dwelling units in non-landed residential developments, which would affect the cost structure of developers, hence the price and demand. At least one major local bank has indicated a significant reduction in the projected mortgage loan growth. The negative sentiments arising from these measures are anticipated to affect the residential property sector and possibly the commercial sector as well. RSPH Group could face challenging market and competitive conditions in the near to medium term.

8.13 Marketability of RSPH Shares

After the completion of the Proposed Distribution, the RSPH Shares will not be quoted on the Official List of the SGX-ST, any securities exchange or any other regulated markets. There will be no ready market for the RSPH Shares and it would be difficult to liquidate the RSPH Shares. Accordingly, the transfer and purchase of such shares in RSPH will be subject to, *inter alia*, the Constitution of RSPH and the applicable laws and regulations relating to the transfer and purchase of shares in Singapore. A copy of RSPH's Constitution will be made available on its corporate website at www.rsph.sg upon the conversion of RSPH to a public limited company.

As there is no open market for the trading of the RSPH Shares, this would not only affect the transparency of the value of the RSPH Group, but may also have an effect on the value of the RSPH Shares at their disposal.

8.14 Protection for RSPH Shareholders

Shareholders of a company listed on the SGX-ST are protected by the Listing Manual which, among other things, contains the following provisions:

- (a) requirement to make announcements to inform shareholders of an issuer on information which is necessary to avoid the establishment of a false market in the issuance of securities or would be likely to materially affect the price or value of its securities, and certain specific information;
- (b) disclosure and shareholders' approval requirement for dealing with certain acquisitions and disposals;
- (c) disclosure and the approval of independent shareholders for interested person transactions;
- (d) publication of financial results announcements within a certain period of time; and
- (e) arrangement for voting by poll.

However, after completion of the Proposed Distribution, the RSPH Group will not be subject to or need to comply with the Listing Manual and the RSPH Shareholders will not be protected by the above provisions. RSPH will be governed by, *inter alia*, its Constitution and the Companies Act.

LETTER TO SHAREHOLDERS

8.15 RSPH Shareholders may not be able to participate in future issues of RSPH Shares

In the event that RSPH issues new RSPH Shares, RSPH will be under no obligation to offer those new RSPH Shares to the then existing RSPH Shareholders at the time of issue, except where RSPH elects to conduct a rights issue. However, in electing to conduct a rights issue or certain other equity issues, RSPH may be subject to regulations or restrictions as to the procedures to be followed in making such rights offering available to the then existing RSPH Shareholders or in disposing of such rights for the benefit of such RSPH Shareholders, and making the net proceeds available to them. RSPH may choose not to offer the rights or other equity issues to RSPH Shareholders whose registered addresses are outside Singapore. Accordingly, such RSPH Shareholders may not be able to participate in future offerings of RSPH Shares and may experience dilution of their shareholdings in RSPH as such.

9. FINANCIAL EFFECTS OF THE PROPOSED CORPORATE EXERCISES

The pro forma financial effects of the Proposed Corporate Exercises on the share capital, earnings, NTA and gearing of the Group have been prepared based on the unaudited consolidated financial results of the Group for the financial period ended 30 September 2018, the Company's Existing Issued Share Capital and taking into account, *inter alia*, the following bases and assumptions:

- (a) the financial effects on the Group's earnings and earnings per Share are computed assuming that the Proposed Corporate Exercises were completed on 1 January 2018;
- (b) the financial effects on the Group's share capital, NTA and gearing are computed assuming that the Proposed Corporate Exercises were completed on 30 September 2018;
- (c) the estimated incremental transaction costs incurred in relation to the Proposed Corporate Exercises are insignificant and are disregarded for computational purposes; and
- (d) the Proposed Restructuring has been completed on or before 1 January 2018 in the manner as set out in paragraph 2 of this Circular.

The pro forma financial effects of the Proposed Corporate Exercises are for illustrative purposes only and do not necessarily reflect the actual future results and financial position of the Group following the completion of the Proposed Corporate Exercises.

LETTER TO SHAREHOLDERS

9.1 Share Capital

	Before the Proposed Corporate Exercises	After the Proposed Distribution by way of Capital Reduction and BEFORE the Proposed Further Capital Reduction	After the Proposed Distribution by way of Capital Reduction and AFTER the Proposed Further Capital Reduction
Issued and paid up share capital (S\$'000)	2,772,202	2,616,229	2,335,035
Number of TMG Shares in issue	26,072,800,745	26,072,800,745	26,072,800,745

There will be no change in the number of issued TMG Shares as a result of the Proposed Corporate Exercises.

9.2 NTA

	Before the Proposed Corporate Exercises	After the Proposed Distribution by way of Capital Reduction and BEFORE the Proposed Further Capital Reduction	After the Proposed Distribution by way of Capital Reduction and AFTER the Proposed Further Capital Reduction
NTA (S\$'000) ⁽¹⁾	251,911	95,938	95,938
Number of TMG Shares in issue	26,072,800,745	26,072,800,745	26,072,800,745
NTA per TMG Share (S\$)	0.010	0.004	0.004

Note:

(1) Excludes S\$489.3 million and S\$51.4 million of goodwill and intangible assets held by the Healthcare Business and RSPH Group respectively as at 30 September 2018.

LETTER TO SHAREHOLDERS

9.3 Earnings

	Before the Proposed Corporate Exercises	After the Proposed Distribution by way of Capital Reduction and BEFORE the Proposed Further Capital Reduction	After the Proposed Distribution by way of Capital Reduction and AFTER the Proposed Further Capital Reduction
Profit attributable to Shareholders (S\$'000)	6,623	10,316	10,316
Number of TMG Shares in issue	26,072,800,745	26,072,800,745	26,072,800,745
Earnings per TMG Share (cents)	0.025	0.040	0.040

9.4 Gearing

	Before the Proposed Corporate Exercises	After the Proposed Distribution by way of Capital Reduction and BEFORE the Proposed Further Capital Reduction	After the Proposed Distribution by way of Capital Reduction and AFTER the Proposed Further Capital Reduction
Total borrowings (S\$'000) ⁽¹⁾	607,954	577,941	577,941
Shareholders' equity (S\$'000)	720,577	564,604	564,604
Gearing (times) ⁽²⁾	0.84	1.02	1.02

Notes:

(1) Total borrowings include bank borrowings and finance leases.

(2) Gearing is determined based on total borrowings divided by Shareholders' equity.

10. TAXATION

10.1 Income Tax

Singapore does not impose tax on capital gains. Whether gains are of a capital (non-taxable) or revenue/income (taxable) nature is based on the facts and circumstances surrounding each case.

Gains from the transfer of shares in RSPH pursuant to the Proposed Distribution should generally be considered as a return of capital to the Entitled Shareholders and not taxable in the hands of the Entitled Shareholders, unless the Proposed Distribution constitutes taxable revenue gains or profits.

LETTER TO SHAREHOLDERS

10.2 Stamp Duty

The Company will bear stamp duty, if any, chargeable in respect of any transfer of the RSPH Shares by the Company to the Entitled Shareholders pursuant to the Proposed Distribution.

Subsequent to the Proposed Distribution, where any instrument of conveyance, transfer or assignment is executed in respect of the RSPH Shares, stamp duty is payable on such instrument of transfer at the rate of 0.2% of the higher of the purchase price or the fair market value of the RSPH Shares. The purchaser is liable for stamp duty, unless otherwise agreed.

10.3 Entitled Shareholders' Own Tax Position

Entitled Shareholders should note that the statements in paragraphs 10.1 and 10.2 of this Circular are not to be regarded as advice on the tax position of any Shareholder in Singapore or any other jurisdiction, or any tax implication arising from the Proposed Distribution. If any Entitled Shareholder is in doubt as to his tax position in Singapore or in any other jurisdiction, or any tax implication arising from the Proposed Distribution, he should consult his own professional tax advisers.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

11.1 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS IN TMG SHARES

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in TMG Shares and their respective interests in the Bonus Warrants and the Piggyback Warrants are set out below:

Directors	Direct Interest	Number of Shares		%(¹)	Number of Bonus Warrants	Number of Piggyback Warrants
		Deemed Interest	Total Interest			
Mr Ng Ser Miang ⁽²⁾	–	5,200,000	5,200,000	0.020	10,400,000	–
Ms Chan Lay Hoon	–	–	–	–	–	–
Mr Tan Wee Tuck	–	–	–	–	–	–
Mr Quek Hong Sheng Roy	–	–	–	–	–	–
Mr Lai Huen Poh ⁽³⁾	21,777,400	125,000,000	146,777,400	0.563	293,554,800	–
Mr Heng Kim Chuan Freddie	–	–	–	–	–	–
Mr Gary Ho Kuat Foong	–	–	–	–	–	–
Mr Ong Pang Liang ⁽³⁾	–	5,000,000	5,000,000	0.019	10,000,000	–
Substantial Shareholders						
Mr Lim Eng Hock ⁽⁴⁾	21,333,333,334	1,849,438,093	23,182,771,427	88.916	3,698,876,186	–

Notes:

- (1) The percentages are computed based on the Company's issued share capital of 26,072,800,745 TMG Shares as at the Latest Practicable Date.
- (2) The TMG Shares are held in the name of his spouse and by a nominee.

LETTER TO SHAREHOLDERS

- (3) The TMG Shares are held by a nominee.
- (4) Mr Lim Eng Hock is deemed interested in the Shares and the Bonus Warrants registered in the name of Garville Pte Ltd, Garville (Hong Kong) Limited, Jovina Investments Limited and Bellton International Limited by virtue of Section 4 of the Securities and Futures Act. The TMG Shares and the Bonus Warrants of Jovina Investments Limited, Garville (Hong Kong) Limited and Bellton International Limited are held through nominees.

11.2 Interests in the Proposed Corporate Exercises

Pursuant to the Proposed Distribution, Directors and Substantial Shareholders who have interests in TMG Shares would become shareholders of RSPH.

Save as disclosed in this Circular, none of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Proposed Corporate Exercises.

12. DIRECTORS' RECOMMENDATION

12.1 Recommendation

Having considered the terms of and the rationale for the Proposed Distribution by way of Capital Reduction and the Proposed Further Capital Reduction, the Directors are of the opinion that the Proposed Distribution by way of Capital Reduction and the Proposed Further Capital Reduction are in the interests of the Company and its Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the special resolutions set out in the Notice of EGM on page 49 of this Circular to be proposed at the EGM.

In giving the above recommendations, the Directors have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs or constraints of any individual Shareholder. As each Shareholder would have a different investment portfolio, objectives and considerations, the Directors recommend that any individual Shareholder who may require specific advice in relation to his investment portfolio, should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Shareholders are advised to read this Circular in its entirety and for those who may require advice in the context of their specific investments, to consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers. In compliance with its continuing listing obligations under the Listing Manual, the Company will also be announcing from time to time, material information relating to the Company. As such, the Shareholders are also advised to refer to such announcements when considering the proposals to be tabled at the EGM.

12.2 Non-conditionality of resolutions

The special resolution relating to the Proposed Distribution by way of Capital Reduction is not conditional upon the passing of the special resolution relating to the Proposed Further Capital Reduction and *vice versa*.

LETTER TO SHAREHOLDERS

13. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 49 of this Circular, will be held on 4 December 2018 at 2.00 p.m. at Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 for the purpose of considering and, if thought fit, passing the special resolutions relating to the Proposed Distribution by way of Capital Reduction and the Proposed Further Capital Reduction set out in the Notice of EGM.

14. ACTION TO BE TAKEN BY SHAREHOLDERS

14.1 Appointment of proxies

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote on their behalf, should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with its printed instructions as soon as possible and in any event, so as to arrive at the registered office of the Company at 101 Thomson Road #20-04/05 United Square, Singapore 307591 not less than seventy-two (72) hours before the time fixed for holding the EGM. The completion and return of the Proxy Form will not preclude the Shareholder from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the Proxy Form shall be deemed to be revoked.

14.2 Notice for Depositors

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat, unless his name appears on the Depository Register maintained by CDP at least seventy-two (72) hours before the time fixed for holding the EGM.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Corporate Exercises and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

16. FINANCIAL ADVISER'S RESPONSIBILITY STATEMENT

PPCF, being the financial adviser to the Company in relation to the Proposed Corporate Exercises, confirms that to the best of its knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Corporate Exercises, the Company and its subsidiaries, and PPCF is not aware of any facts the omission of which would make any statement in this Circular misleading.

LETTER TO SHAREHOLDERS

17. CONSENT

- 17.1 PPCF has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references to its name in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.
- 17.2 The Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references to its name and the Summary Valuation Report in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

18. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excepted) from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of the Company;
- (b) the Annual Report of the Company for the financial year ended 31 December 2017;
- (c) the results announcement of the Company for 3Q2018;
- (d) the Summary Valuation Report and the full valuation report dated 7 November 2018 on the RSPH Group;
- (e) the letter of consent from PPCF referred to in paragraph 17.1 of this Circular; and
- (f) the letter of consent from the Valuer referred to in paragraph 17.2 of this Circular.

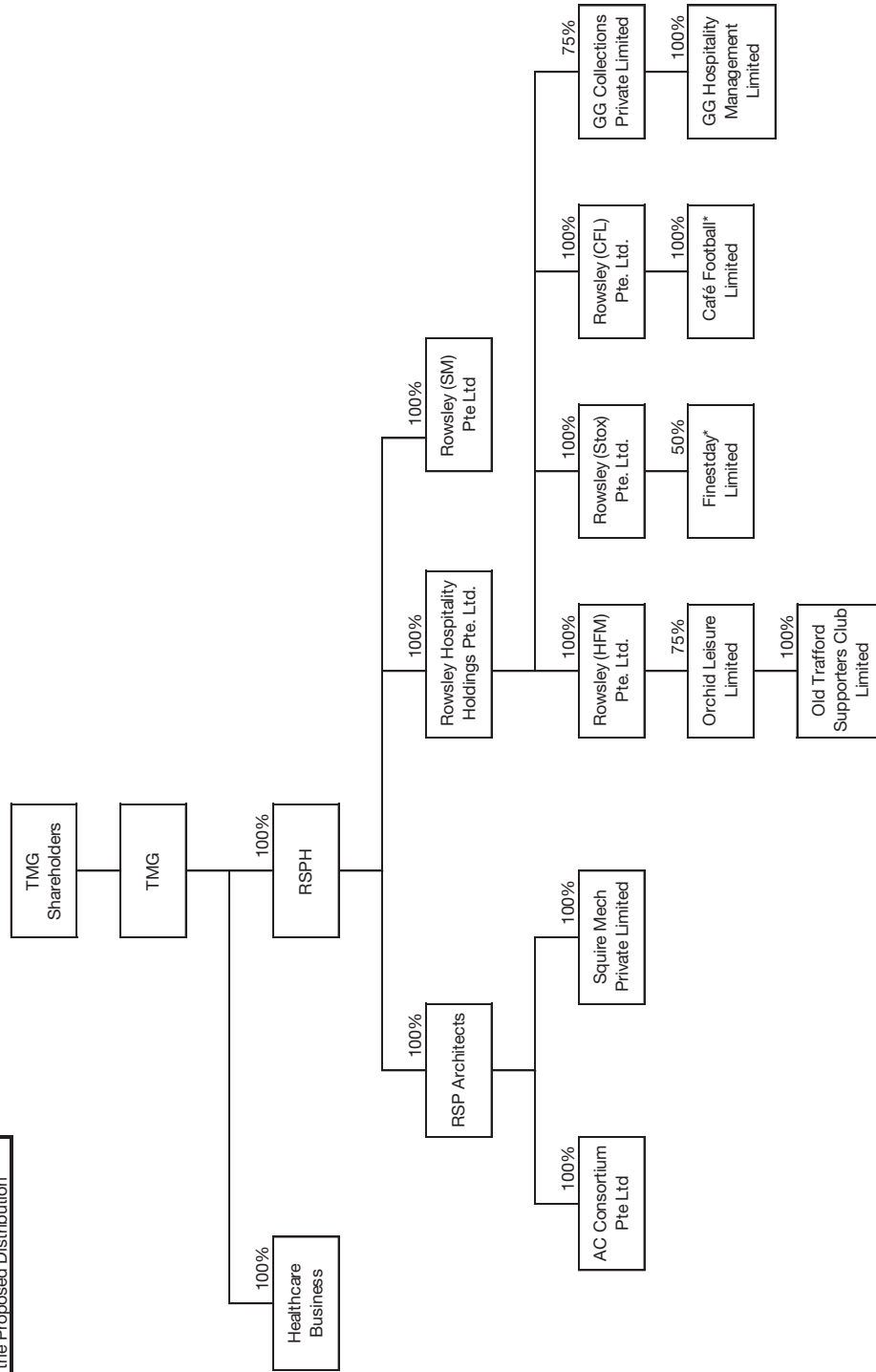
Yours faithfully
For and on behalf of
Thomson Medical Group Limited

Tan Wee Tuck
Executive Director and Chief Executive Officer, Real Estate

APPENDIX A – CORPORATE STRUCTURES

The corporate structures are for illustrative purposes only and are not exhaustive and are based on information available as at the Latest Practicable Date.

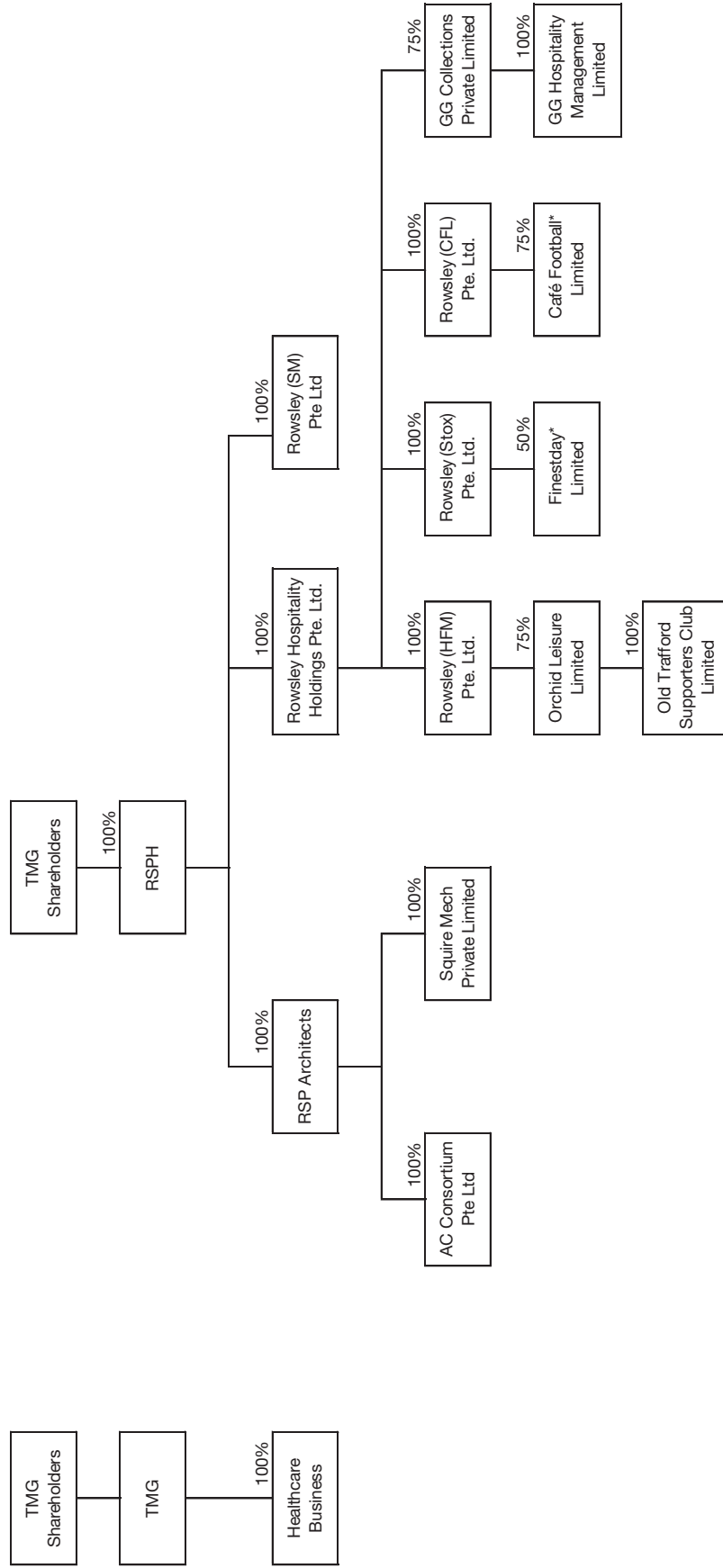
After Restructuring But before the Proposed Distribution



* Presently, the Company is exploring various options, including divestment, in respect of Finestday Limited and Café Football. Should such divestment materialise prior to the completion of the Proposed Distribution, the divested entities would accordingly be excluded from the RSPH Group.

APPENDIX A – CORPORATE STRUCTURES

After the Proposed Distribution



* Presently, the Company is exploring various options, including divestment, in respect of Finestday Limited and Café Football. Should such divestment materialise prior to the completion of the Proposed Distribution, the divested entities would accordingly be excluded from the RSPH Group.

APPENDIX B – SUMMARY VALUATION REPORT ON DISPOSAL GROUP OF THOMSON MEDICAL GROUP LIMITED

The Board of Directors
Thomson Medical Group Limited

7 November 2018

**101 Thomson Road #20-04/05
United Square
Singapore 307591**

Independent Valuation Summary – Disposal Group of Thomson Medical Group Limited

In relation to the proposed disposal of 100% of share capital of the Disposal Group of Thomson Medical Group Limited

Dear Sirs:

1. Introduction

This letter is a summary of the information contained in BDO Advisory Pte Ltd's Independent Valuation Report dated 7 November 2018 (the "**Summary Valuation Report**"). Accordingly, it should be read in conjunction with the full text of the said Independent Valuation Report (the "**Report**").

BDO Advisory Pte Ltd is part of a global network of firms in 162 countries with more than 73,000 people working out of 1,500 offices to deliver quality assurance, tax and advisory services. In the valuation space, BDO Singapore's Advisory Services meets regional and local businesses' valuation needs with provision of services including valuing businesses, joint ventures and equity interests, and specific assets such as intangible assets like trademarks, customer relationships, and financial instruments. In the recent years, our valuation professionals (accredited with the Institute of Valuers and Appraisers of Singapore ("IVAS")) have worked on a range of business requirements, including:

- Restructuring, mergers, acquisitions and divestments
- Business planning and decision support
- Support for tax planning and advisory
- Expert witness for litigation support
- Financial reporting

The information contained in the Report pertains to our appointment by the Board of Directors of Thomson Medical Group Limited's ("**TMG**" or the "**Company**") to perform the necessary professional services relating to the valuation of the Disposal Group, as described below.

We understand that the Company will undertake an internal re-organisation (the "**Restructuring**"), such that its design and engineering and hospitality businesses will be held entirely by RSP Holdings Pte. Ltd. ("**RSPH**"). Accordingly, these design and engineering and hospitality companies together with RSPH will be referred to as RSPH and its subsidiaries upon completion of the Restructuring (collectively the "**Disposal Group**" or "**RSP Holdings Group**").

APPENDIX B – SUMMARY VALUATION REPORT ON DISPOSAL GROUP OF THOMSON MEDICAL GROUP LIMITED

This Restructuring is in connection with the proposed disposal by the Company of the share capital of RSPH to its shareholders via a distribution in specie by way of a capital reduction (the “**Proposed Disposal**”).

2. Terms of reference

We are to undertake an independent valuation of the Disposal Group as at 30 September 2018 (the “**Valuation Date**”). This is for the purpose of inclusion in this Circular and for the adjustment of the bonus warrant exercise price which will occur when TMG makes a capital distribution to its shareholders through a reduction of capital or other means.

We are instructed by TMG, that as at the Valuation Date, the Disposal Group comprised RSP Holdings and 12 subsidiaries, of which the following five are business operating entities (collectively the “**Business Groups**”):

- a. RSP Architects Planners & Engineers (Pte) Ltd and its RSP subsidiaries (“**RSP Architects Group**”);
- b. Squire Mech Private Limited & its subsidiaries (“**Squire Mech Group**”);
- c. AC Consortium Pte Ltd (“**AC Consortium**”);
- d. Old Trafford Supporters Club Limited (“**Old Trafford Supporters Club**”); and
- e. GG Hospitality Management Limited (“**GG Hospitality**”).

We are also instructed that, the following eight subsidiaries are investment holding entities that do not hold any significant assets:

- a. RSP Holdings Pte. Ltd. (“**RSP Holdings**”);
- b. Rowsley Hospitality Holdings Pte. Ltd. (“**Rowsley Hospitality**”);
- c. Rowsley (HFM) Pte. Ltd. (“**Rowsley (HFM)**”);
- d. Rowsley (Stox) Pte. Ltd. (“**Rowsley (Stox)**”);
- e. Rowsley (CFL) Pte. Ltd. (“**Rowsley (CFL)**”);
- f. Rowsley (SM) Pte. Ltd. (“**Rowsley (SM)**”);
- g. GG Collections Private Limited (“**GG Collections**”); and
- h. Orchid Leisure Limited (“**Orchid Leisure**”).

The Disposal Group comprises two key business segments: (1) the design and engineering business under RSP Architects Planners & Engineers (Pte) Ltd and all its subsidiaries (“**RSP Group**”) and (2) the hospitality business under Rowsley Hospitality Holdings Pte. Ltd. and its subsidiaries (“**Rowsley Hospitality Group**”).

APPENDIX B – SUMMARY VALUATION REPORT ON DISPOSAL GROUP OF THOMSON MEDICAL GROUP LIMITED

There are also two operating entities included in the Hospitality business which are to be treated as out-of-scope entities for this valuation as these entities will be either disposed of or liquidated prior to the Proposed Disposal. The out-of-scope entities are as follows:

- a. Finestday Limited (“**Finestday**”); and
- b. Café Football Limited (“**Café Football**”).

Our terms of reference do not require us to provide advice on legal, regulatory, accounting, property or taxation matters and where specialist advice has been obtained by TMG and/or RSPH and made available to us, we have considered and where appropriate, relied on such advice.

Our terms of reference for the valuation of the Disposal Group specifically exclude the valuation of any of the aforementioned bonus warrants. Accordingly, we have not performed any work related to the warrant valuation and have excluded these from our valuation conclusion.

3. Use of this Summary Valuation Report and our Report

This Summary Valuation Report and the Report are addressed to, and are intended for the use of the Directors of TMG for the purpose as set out in the Report. Accordingly, neither the Report nor this Summary Valuation Report may be used or relied upon by, nor confer any benefit to, any other person (including without limitation, the shareholders of TMG and the prospective investors of TMG). Any recommendation made by the Directors to the shareholders of TMG shall remain the responsibility of the Directors.

We are not expressing an opinion on the commercial merits of the Proposed Disposal and accordingly, this Summary Valuation Report and the Report do not purport to contain all the information that may be necessary to fully evaluate the commercial merit of the Proposed Disposal by the Company to its shareholders.

In addition, this Summary Valuation Report and the Report should not be construed as a provision of any investment advice to the prospective investors of TMG and cannot be relied upon for making investment decisions and we expressly disclaim a duty of care or liability to any third party who is shown or gains access to this Summary Valuation Report or the Report.

4. Reliance on information and representation

The information used by us in preparing the Report has been obtained primarily from the management of the Disposal Group (“**Management**”) and other sources as indicated in the Report. These include:

- a. Audited Financial Statements of the active entities in the Disposal Group from Financial Year ended/ending 31 December (“**FY**”) 2015 to 2017, with the exception of:
 - i. RSP Architects, Planners & Engineers Private Limited (incorporated in Ghana) and Orchid Leisure FY2015-2017 as both entities were not audited;
 - ii. Old Trafford Supporters Club and GG Hospitality FY2017 as audit has yet to be completed; and
 - iii. Café Football and Finestday FY2015-2017 as they are out of scope entities.

APPENDIX B – SUMMARY VALUATION REPORT ON DISPOSAL GROUP OF THOMSON MEDICAL GROUP LIMITED

- b. Management Accounts of the entities in the Disposal Group for FY2015 to FY2017 as well as for the period from 1 January 2018 to 30 September 2018;
- c. Financial forecasts and projections from FY2018 to FY2021 for the Business Groups;
- d. Information on economic outlook and industry outlook of the design and engineering and hospitality industry for Singapore and UK;
- e. Industry reports provided by Management;
- f. General information gleaned from documents submitted by Management;
- g. Financial data obtained from Bloomberg Professional Services;
- h. Valuation report of Hotel Football issued by Lambert Smith Hampton dated 5 November 2018; and
- i. All other publicly available information.

While our work has involved analysis of the above mentioned operational and financial information and accounting records, it has not included an audit in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us.

Management has reviewed the information contained in our Report and has confirmed that the information provided to us is accurate and that no significant information essential to the Report has been withheld.

5. Valuation methodology and summary results

The standard of value that we have adopted is the fair value defined in Financial Reporting Standards (FRS 113) as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

In arriving at the valuation results, we have adopted the income approach, using the discounted cash flow (“**DCF**”) methodology, as the primary valuation approach to value the Business Groups for the following reasons:

- The value proposition of the operating businesses are primarily income driven, underpinned by the growth potential of the design and engineering and hospitality industry. The DCF methodology will better reflect a valuation that is based on income derived from future plans backed by the expected order backlog and growth in this region.
- The general insufficiency of information available on precedent transactions completed in the recent past, of businesses with similar characteristics to the Disposal Group.

The projected cash flows are primarily those from the two key business segments i.e. Design and engineering business under RSP Group and Hospitality business under Rowsley Hospitality Group which comprised the revenue streams of the Business Groups.

APPENDIX B – SUMMARY VALUATION REPORT ON DISPOSAL GROUP OF THOMSON MEDICAL GROUP LIMITED

The projected cash flows of each revenue stream are discounted using appropriate discount rates to derive the likely value range of the equity value of RSPH through sensitivity analysis. The perpetuity growth method is used to derive the value of free cash flows to determine the terminal value i.e. the value that continues into perpetuity in the future.

The Base Case valuation that we have derived of S\$151.0 million, has ascribed an equity value of S\$95.1 million for RSP Architects Group, S\$26.1 million for Squire Mech Group, S\$16.6 million for AC Consortium, and S\$13.2 million for both Old Trafford Supporters Club and GG Hospitality.

Using the Base Case valuation, possible variations on valuation parameters such as the discount rate and terminal growth rate were factored into our sensitivity analysis to arrive at the Lower end of S\$144.1 million and the Upper end of S\$158.7 million.

The range of equity value from the Lower end to the Upper end is derived by varying the weighted average cost of capital (WACC) and the terminal growth rate by +/-0.25%.

In summary, the range of equity value of the Disposal Group as at the Valuation Date is S\$144.1 million (Lower end), S\$151.0 million (Base Case) and S\$158.7 million (Upper end).

We note that the Base Case valuation of S\$151.0 million is approximately at the mid-point of the Lower end and the Upper end. The distribution value of approximately S\$156.0 million for the Disposal Group is at a slight premium of approximately 3.31% to the Base Case equity value of S\$151.0 million.

As a cross check, we have adopted the cost approach to determine the Revised Net Asset Value (“**RNAV**”) of the Disposal Group as a whole, and this number lies within the equity value range derived from the income approach.

As indicated above, the projected cash flows used in the DCF analysis have been based upon certain identified assumptions. Some of these assumptions inevitably will not materialise, and unanticipated events may occur; therefore, the actual results achieved during the projection period will vary from the projection, and the variations may be substantial. Consequently, they cannot be relied upon to the same extent as information derived from audited accounts for completed accounting periods. For these reasons we express no opinion as to how closely the actual results achieved will correspond to those projected.

We have set out in the Report, the key assumptions as well as the risk factors, which may materially affect the valuation of the Disposal Group. These include:

- i. The information provided to us by Management reflects the best estimate of the financial results of the Disposal Group and these have not been subjected to audit or reviews;
- ii. The Disposal Group has legal title to all assets included in the financial information furnished by Management. All assets, which are physically in existence, are in good working condition. There are no risks that any of these assets are subject to compulsory acquisition by any third party or government body;
- iii. Related party transactions are carried out on an arm’s length basis and will continue to be for the foreseeable future even if there are any changes in ownership; and
- iv. The financial effects of any known significant events subsequent to 30 September 2018 have been factored into the financial forecasts of the Business Groups.

APPENDIX B – SUMMARY VALUATION REPORT ON DISPOSAL GROUP OF THOMSON MEDICAL GROUP LIMITED

6. Conclusion

As detailed in the Report, the derived range of equity value of the Disposal Group as at the Valuation Date is S\$144.1 million (Lower end), S\$151.0 million (Base Case) and S\$158.7 million (Upper end).

We assume no responsibility and are not required to update, revise or reaffirm our conclusion of value to reflect events or developments subsequent to the date of the Report and this Summary Valuation Report.

Yours faithfully,
For and on behalf of
BDO Advisory Pte Ltd

Cheng Soon Keong
Director, Advisory

NOTICE OF EXTRAORDINARY GENERAL MEETING

THOMSON MEDICAL GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199908381D)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Thomson Medical Group Limited (the “**Company**”) will be held at Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 on 4 December 2018 at 2.00 p.m. for the purpose of considering and, if thought fit, passing the following special resolutions:

SPECIAL RESOLUTION 1 : PROPOSED DISTRIBUTION BY WAY OF CAPITAL REDUCTION

- (a) THAT pursuant to Section 78G read with Section 78I of the Companies Act (Cap. 50) of Singapore (as amended from time to time) and Article 56 of the Constitution of the Company, and subject to the confirmation of the High Court of the Republic of Singapore, the issued and paid-up capital of the Company be reduced by cancelling the issued and paid-up capital by S\$155,973,000, and that such reduction be effected by the distribution *in specie* of all the issued ordinary shares in the share capital of RSP Holdings Pte. Ltd. (the “**RSPH Shares**”) held or to be held by the Company to shareholders of the Company (collectively, the “**Shareholders**” and each a “**Shareholder**”) (the “**Proposed Distribution**”), in proportion to their shareholdings in the Company, at such date and time to be determined by the Directors of the Company and on which the Register of Members and the share transfer books of the Company will be closed (the “**Books Closure Date**”), fractional entitlements (where applicable) to be disregarded, free of encumbrances and together with all rights attaching thereto on and from the date the Proposed Distribution is completed, except that the RSPH Shares will not be distributed to any Shareholder whose registered address as at the Books Closure Date (as recorded in the Register of Members or in the Depository Register maintained by The Central Depository (Pte) Limited (“**CDP**”) for the service of notices and documents is outside Singapore (an “**Overseas Shareholder**”) and who have not at least three (3) Market Days prior to the Books Closure Date provided the Share Registrar (being M & C Services Private Limited) at 112 Robinson Road #05-01 Singapore 068902 or CDP, as the case may be, with an address in Singapore for the service of notices or documents; and
- (b) the Directors and each of them be and are hereby authorised to complete and to do all acts and things as they or he may consider necessary or expedient for the purposes of or in connection with the preceding paragraph (a) and to give effect to this Special Resolution 1 as they or he shall think fit in the interests of the Company.

SPECIAL RESOLUTION 2 : PROPOSED FURTHER CAPITAL REDUCTION

THAT pursuant to Section 78G read with Section 78I of the Companies Act (Cap. 50) of Singapore (as amended from time to time) and Article 56 of the Constitution of the Company and subject to the confirmation of the High Court of the Republic of Singapore, approval be and is hereby given for the reduction of the share capital of the Company as set out below:

- (a) the paid-up share capital of the Company be reduced by cancelling the issued and paid-up share capital which has been lost or unrepresented by available assets to the extent of S\$281,194,000 (the “**Further Capital Reduction**”) and that forthwith upon the Further Capital Reduction as aforesaid taking effect, an amount which is equal to S\$281,194,000, being the credit arising from the Further Capital Reduction, be applied in writing off the accumulated losses of the Company as at 30 September 2018; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the Directors and each of them be and are hereby authorised to complete and to do all acts and things as they or he may consider necessary or expedient for the purposes of or in connection with the preceding paragraph (a) and to give effect to this Special Resolution 2 as they or he shall think fit in the interests of the Company.

All capitalised terms in this Notice which are not defined herein shall have the same meaning ascribed to them in the Company's circular dated 12 November 2018.

BY ORDER OF THE BOARD

Tan Wee Tuck

Executive Director and Chief Executive Officer, Real Estate

Singapore

12 November 2018

Notes:

1. A member who is not a Relevant Intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint not more than two proxies to attend and to speak and vote on his behalf at the EGM. Where a member appoints two proxies, he shall specify the proportions of his holdings to be represented by each such proxy, failing which the appointments shall be invalid.
2. Any member who is a Relevant Intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint more than two proxies to attend and to speak and vote on its behalf at the EGM.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 101 Thomson Road #20-04/05 United Square, Singapore 307591 not less than 72 hours before the time set for the EGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy or proxies and/or representative(s) to attend and to speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy or proxies and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy or proxies and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy or proxies and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

THOMSON MEDICAL GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199908381D)

IMPORTANT

1. For investors who have used their CPF monies to buy ordinary shares in the capital of Thomson Medical Group Limited, this Circular is forwarded to them at the request of the CPF Approved Nominees and is sent **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We _____

NRIC/Passport No./Company Registration No. _____

of _____

being a member/members of Thomson Medical Group Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	(%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	(%)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be held at Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 on 4 December 2018 at 2.00 p.m. and at any adjournment thereof.

I/We have indicated with an "X" in the appropriate box against the item how I/we wish my/our proxy/proxies to vote. If no specific direction as to voting is given or in the event of any item arising not summarised below, my/our proxy/proxies may vote or abstain at the discretion of my/our proxy/proxies.

	*For	*Against
Special Resolution 1 The Proposed Distribution by way of Capital Reduction		
Special Resolution 2 The Proposed Further Capital Reduction		

* Please indicate your vote "For" or "Against".

** If you wish to use all your votes "For" or "Against", please indicate with an "X" within the box provided. Otherwise, please indicate number of votes.

Dated this _____ day of _____ 2018

Total Number of Shares held:	
(a) Depository Register	
(b) Register of Members	

Signature(s) of Member(s) or Common Seal

IMPORTANT (PLEASE READ NOTES BELOW BEFORE COMPLETING THIS PROXY FORM)

PROXY FORM

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members of the Company, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member who is not a Relevant Intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint not more than two proxies to attend and to speak and vote on his behalf at the EGM. Where a member appoints two proxies, he shall specify the proportions of his holdings to be represented by each such proxy, failing which the appointments shall be invalid.
3. Any member who is a Relevant Intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint more than two proxies to attend and to speak and vote on its behalf at the EGM.
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 101 Thomson Road #20-04/05 United Square, Singapore 307591 not less than 72 hours before the time set for the EGM.
6. The instrument appointing a proxy or proxies shall be in writing and signed by the appointer or by an attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by the attorney, the power of attorney (or other authority) or a notarially duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Cap. 50.
9. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in case of members whose shares are entered in the Depository Register, the Company may reject an instrument of proxy lodged if the member, being the appointer, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time set for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy/proxies and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM.

