

ERNST & YOUNG CORPORATE FINANCE PTE LTD

(Company Registration No.: 199702967E)

(Incorporated in the Republic of Singapore)

9 November 2022

To: The Optionholders of Singapore Medical Group Limited

Dear Sir/Madam

VOLUNTARY CONDITIONAL GENERAL OFFER BY ERNST & YOUNG CORPORATE FINANCE PTE LTD (“EYCF”), FOR AND ON BEHALF OF TLW SUCCESS PTE. LTD. (THE “OFFEROR”) FOR ALL THE ISSUED AND PAID-UP ORDINARY SHARES (“SHARES”) IN THE CAPITAL OF SINGAPORE MEDICAL GROUP LIMITED (THE “COMPANY”) OTHER THAN ANY SHARES HELD IN TREASURY AND THOSE SHARES HELD, DIRECTLY OR INDIRECTLY, BY THE OFFEROR AS AT THE DATE OF THE OFFER (COLLECTIVELY, THE “OFFER SHARES” AND EACH, AN “OFFER SHARE”) – OPTIONS PROPOSAL

REVISION OF THE OFFER CONSIDERATION AND OPTION PRICE

- The Offeror is revising the Offer Consideration as follows:

EITHER

(a) S\$0.40 in cash (the “Revised Final Cash Consideration”)

OR

(b) in lieu thereof, one (1) New Offeror Share (the “Share Consideration”). Following the revision of the initial Cash Consideration, the issue price for each New Offeror Share shall be equivalent to the Revised Final Cash Consideration,

(the “Revised Final Offer Consideration”).
- Optionholders who have earlier accepted the Options Proposal are entitled to the Revised Final Option Price, subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms. Accordingly, no further action in respect of the Offer is required to be taken by Optionholders who have already validly accepted the Options Proposal.
- The Revised Final Cash Consideration of S\$0.40 represents a premium of approximately 23.1% over the last transacted price per Share on 8 September 2022, being the Last Trading Day.
- Following the revision of the Offer Consideration, the Option Price is accordingly revised to be the “see-through” price calculated on the basis of the Revised Final Cash Consideration.
- The Closing Date of the Offer (and consequently the closing date for acceptances of the Options Proposal) is extended to 5.30 p.m. (Singapore time) on 23 November 2022 (or such later date(s) as may be announced from time to time by or on behalf of the Offeror).

Please refer to the rest of this Letter for further details.

1. **INTRODUCTION**

We refer to the:

- (a) offer document issued by EYCF, for and on behalf of the Offeror, dated 4 October 2022 (the “**Offer Document**”), in relation to the voluntary conditional general offer (the “**Offer**”) for all the Shares in the capital of the Company, other than any Shares held in treasury and those Shares held, directly or indirectly, by the Offeror as at the date of the Offer; and
- (b) proposal letter issued by EYCF, for and on behalf of the Offeror, dated 4 October 2022 (the “**Options Proposal Letter**”), in relation to the terms of and conditions of the proposal to the holders of outstanding options granted under the SMG Share Option Scheme.

All capitalised terms used and not defined herein shall have the same meanings given to them in the Options Proposal Letter and the Offer Document, unless otherwise expressly stated or the context otherwise requires.

2. **OFFER REVISION ANNOUNCEMENT**

- 2.1 We are writing to inform you of the announcement dated 2 November 2022 (the “**Offer Revision Announcement**”) relating to, *inter alia*, the revision of the Offer Consideration and the revision of the Option Price.
- 2.2 Electronic copies of this letter dated 9 November 2022 (this “**Letter**”), the Offer Revision Announcement and the Offer Document are available on the website of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) at <https://www.sgx.com>. Please read, in their entirety, this Letter, the Offer Revision Announcement, the Offer Document, the Options Proposal Letter and such other announcements made by or on behalf of the Offeror from time to time.

3. **REVISION OF OFFER CONSIDERATION AND OPTIONS PRICE**

3.1 **Revised Final Offer Consideration**

As stated in the Offer Revision Announcement, the Offer Consideration for each Offer Share has been revised to the following:

For each Offer Share:

EITHER

- (a) **S\$0.40 in cash (the “**Revised Final Cash Consideration**”)**

OR

- (b) **in lieu thereof, one (1) New Offeror Share (the “**Share Consideration**”). Following the revision of the initial Cash Consideration, the issue price for each New Offeror Share shall be equivalent to the Revised Final Cash Consideration,**

(the “Revised Final Offer Consideration**”).**

The Offeror does not intend to revise the Revised Final Offer Consideration, save that the Offeror reserves the right to do so in a competitive situation.

3.2 Revised Final Option Price

Following the revision of the Offer Consideration, the Option Price under the Options Proposal, which is computed on a “see-through” basis, will correspondingly be revised to be the amount of the excess of the Revised Final Cash Consideration over the exercise price of that Company Option. If, however, the exercise price of that Company Option is equal to or more than the Revised Final Cash Consideration, the Option Price for each Company Option will be the nominal amount of S\$0.001 (the “**Revised Final Option Price**”).

Optionholders who have earlier accepted the Options Proposal are entitled to the Revised Final Option Price, subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms. Accordingly, no further action in respect of the Options Proposal is required to be taken by Optionholders who have already validly accepted the Options Proposal.

3.3 Other Terms of the Options Proposal Unchanged

Save as disclosed in this Letter and the Offer Revision Announcement, all other terms and conditions of the Options Proposal as set out in the Options Proposal Letter remain unchanged.

4. **FINANCIAL EVALUATION OF THE REVISED FINAL OFFER CONSIDERATION**

The Revised Final Cash Consideration of S\$0.40 represents an increase of approximately 8.1% or S\$0.03 over the initial Cash Consideration of S\$0.37 per Offer Share.

The Revised Final Cash Consideration represents the following premiums over the historical traded prices of the Shares:

Description	Share Price (S\$)⁽¹⁾	Premium of the Revised Final Cash Consideration over Share Price (%)⁽²⁾
(a) Last transacted price per Share on 8 September 2022, being the Last Trading Day	0.325	23.1
(b) The volume weighted average price (“ VWAP ”) of the Shares traded on the SGX-ST for the one (1)-month period up to and including the Last Trading Day	0.313	27.8
(c) VWAP of the Shares for the three (3)-month period up to and including the Last Trading Day	0.311	28.6
(d) VWAP of the Shares for the six (6)-month period up to and including the Last Trading Day	0.319	25.4
(e) VWAP of the Shares for the 12-month period up to and including the Last Trading Day	0.314	27.4

Notes:

- (1) The S\$ figures are rounded to the nearest three (3) decimal places and are sourced from S&P Capital IQ up to and including the Last Trading Day.
- (2) The respective premia are rounded to the nearest one (1) decimal place.

5. RATIONALE FOR THE REVISED FINAL OFFER CONSIDERATION

The Offeror is of the view that the Revised Final Cash Consideration reinforces the compelling and attractive exit opportunity for Shareholders to realise their entire investment in cash at an attractive price and a compelling premium amidst the risk of uncertainty in the current global operating and economic environment, a low trading liquidity, and without incurring brokerage and other trading costs. In lieu of the Revised Final Cash Consideration and pursuant to the Offer, the Share Consideration at an issue price equivalent to the Revised Final Cash Consideration provides a viable avenue for Shareholders who continue to believe in the management team and the business model of the Company to remain invested in the Company.

The Offer remains, as at 4 November 2022 (the “**Revised Latest Practicable Date**”), the only offer available for acceptance by Shareholders to realise their investment in the Company.

6. EXTENSION OF CLOSING DATE

Pursuant to Rule 20.1 of the Code, following the revision of the Offer, the Offer must be kept open for at least 14 days from the date of posting of the written notification dated 9 November 2022 in relation to, *inter alia*, the revision of the Offer Consideration to Shareholders.

Accordingly, the Closing Date of the Offer (and consequently the closing date for acceptances of the Options Proposal) is extended to **5.30 p.m. (Singapore time) on 23 November 2022** (or such later date(s) as may be announced from time to time by or on behalf of the Offeror).

Optionholders should note that pursuant to Rule 22.9 of the Code (and as stated in paragraph 1.2 of **Appendix V** to the Offer Document), except with the SIC’s prior consent, the Offer will not be capable:

- (a) of becoming or being declared unconditional as to acceptances after **5.30 p.m. (Singapore time) on 5 December 2022** (being the next business day after 3 December 2022 (Saturday), which is the 60th day after the date of electronic dissemination of the Offer Document); or
- (b) of being kept open after 5.30 p.m. (Singapore time) on 5 December 2022 unless the Offer has previously become or been declared to be unconditional as to acceptances.

7. GENERAL INFORMATION

(a) **Valid Acceptances**

Optionholders who have earlier validly accepted the Options Proposal are entitled to the Revised Final Option Price, subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms. Accordingly, no further action in respect of the Options Proposal is required to be taken by Optionholders who have already validly accepted the Options Proposal.

However, in the event the Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, the Options Proposal shall lapse accordingly.

(b) **Procedures for Acceptance of Options Proposal**

Optionholders who have validly accepted the Options Proposal prior to the date of this Letter are not required to take any further action in relation to the Options Proposal.

Optionholders who wish to accept the Options Proposal but have not done so should complete, sign and return the Options Proposal Acceptance Letter as soon as possible so as to reach the Offeror no later than 5.30 p.m. (Singapore time) on the Closing Date. Further details on the procedures for the acceptance and other details of the Options Proposal are set out in the Options Proposal Letter and in the Options Proposal Acceptance Letter enclosed therein.

(c) **No Material Change in Information**

Save as disclosed in the Offer Document, the Options Proposal Letter and announcements released by or on behalf of the Offeror on the SGX-ST (including, *inter alia*, the Offer Revision Announcement), and save for publicly available information on the Company, as far as the Offeror is aware, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from 13 September 2022 (being the Offer Announcement Date) and ending on the Revised Latest Practicable Date.

(d) **Overseas Jurisdictions**

Where there are potential restrictions on sending this Letter to any overseas jurisdictions, the Offeror, EYCF and the Share Registrar each reserves the right not to send this Letter to Overseas Optionholders in such overseas jurisdictions. Overseas Optionholders are advised to read paragraph 6.5 of the Options Proposal Letter entitled “Overseas Optionholders”.

- (e) Optionholders who are in any doubt about this Letter or the revised Options Proposal should consult their stockbroker, bank manager, solicitor or other professional advisor immediately.

8. DIRECTORS’ RESPONSIBILITY STATEMENT

The directors of the Offeror (including those who may have delegated detailed supervision of this Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Letter (other than those relating to the Company) are fair and accurate and that there are no other material facts not contained in this Letter, the omission of which would make any statement in this Letter misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Letter.

The directors of the Offeror jointly and severally accept responsibility accordingly.

Yours faithfully,
ERNST & YOUNG CORPORATE FINANCE PTE LTD

For and on behalf of
TLW SUCCESS PTE. LTD.

9 November 2022

Any inquiries relating to this Letter or the Offer should be directed during office hours to:

Ernst & Young Corporate Finance Pte Ltd

Tel: (65) 6239 4417

Forward-Looking Statements

All statements other than statements of historical facts included in this Letter are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “shall”, “should”, “could”, “may” and “might”. These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor EYCF undertakes any obligation to update publicly or revise any forward-looking statements.