

APPENDIX A DATED 4 APRIL 2019

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

If you have sold or transferred all your shares in Raffles Medical Group Ltd, you should immediately hand this Appendix, Notice of Annual General Meeting and the accompanying Proxy Form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made or opinions expressed in the Appendix.

RafflesMedicalGroup

Company Registration No. 198901967K

(Incorporated in Singapore)

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

APPENDIX A TO THE NOTICE OF ANNUAL GENERAL MEETING

IN RELATION TO

- (1) THE PROPOSED PARTICIPATION OF DR SARAH LU QINGHUI, AN ASSOCIATE OF DR LOO CHOON YONG, A CONTROLLING SHAREHOLDER, IN THE RAFFLES MEDICAL GROUP (2010) SHARE OPTION SCHEME**
- (2) THE PROPOSED GRANT OF OPTIONS TO DR SARAH LU QINGHUI, AN ASSOCIATE OF DR LOO CHOON YONG, A CONTROLLING SHAREHOLDER, IN THE RAFFLES MEDICAL GROUP (2010) SHARE OPTION SCHEME**

CONTENTS

DEFINITIONS.....	3
1. INTRODUCTION.....	6
2. RMG ESOS 2010.....	7
3. PARTICIPATION BY DR SARAH LU QINGHUI AS ASSOCIATE OF CONTROLLING SHAREHOLDER IN RMG ESOS 2010.....	7
4. THE PROPOSED GRANT OF OPTIONS TO DR SARAH LU QINGHUI, AN ASSOCIATE OF DR LOO CHOON YONG, A CONTROLLING SHAREHOLDER, IN THE RMG ESOS 2010.....	8
5. ANNUAL GENERAL MEETING.....	9
6. ACTION TO BE TAKEN BY SHAREHOLDERS.....	9
7. ABSTENTION FROM VOTING.....	9
8. DIRECTORS' RECOMMENDATION.....	9
9. DIRECTORS' RESPONSIBILITY STATEMENT.....	10
10. INSPECTION OF DOCUMENTS.....	10

DEFINITIONS

In this Appendix, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

- “2010 Circular”** : The Company’s Circular to Shareholders dated 8 April 2010
- “2019 AGM”** : The annual general meeting of the Company to be held on 26 April 2019, notice of which is set out on pages 166 to 170 of the Annual Report
- “Act”** : The Companies Act (Chapter 50 of Singapore), as amended and modified from time to time
- “AGM”** : The annual general meeting of the Company
- “Annual Report”** : The annual report of the Company for the financial year ended 31 December 2018
- “Appendix”** : This Appendix A to the Notice of 2019 AGM dated 4 April 2019 in respect of the proposed participation of Dr Sarah Lu Qinghui, an Associate of a Controlling Shareholder in RMG ESOS 2010 and the grant of Options to Dr Sarah Lu Qinghui under the terms of the RMG ESOS 2010
- “Associate”** : (a) in relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means:—
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Board”** : The board of Directors
- “CDP”** : The Central Depository (Pte) Limited
- “Committee”** : A committee comprising Directors of the Company duly authorised and appointed by the Board to administer the RMG ESOS 2010
- “Company”** : Raffles Medical Group Ltd (Company Registration Number: 198901967K), a public company incorporated in Singapore with limited liability
- “control”** : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
- “Controlling Shareholder”** : A person who:—
- (a) holds directly or indirectly 15% or more of the total voting rights in the company. The SGX-ST may determine that a person who satisfies this paragraph (a) is not a controlling shareholder; or
 - (b) in fact exercises control over a company

DEFINITIONS

- “Directors”** : The directors of the Company for the time being
- “Group”** : The Company, its subsidiaries and associated companies
- “Group Employee”** : An executive or non-executive director of any member of the Group or a full-time or permanent part-time employee of any member of the Group or any doctor or visiting medical consultant or specialist engaged on a regular basis with or without a contract for service whose hours of work may or may not be computed as full-time who is selected by the Committee to participate in the RMG ESOS 2010
- “Incentive Option”** : The right to subscribe for Shares granted or to be granted pursuant to the RMG ESOS 2010 and for the time being subsisting, and in respect of which the Subscription Price is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price (or such other percentage or amount as may be prescribed or permitted for the time being by the SGX-ST)
- “Independent Shareholder”** : A shareholder of the Company other than a Controlling Shareholder and his Associates
- “Latest Practicable Date”** : 15 March 2019, being the latest practicable date prior to the printing of this Appendix
- “Listing Manual”** : The Listing Manual of the SGX-ST, as amended, modified and supplemented from time to time
- “Market Price”** : A price equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication published by the SGX-ST for the three (3) consecutive Market Days immediately preceding the Offer Date of that Option, rounded up to the nearest whole cent, provided that in the case of a Market Price Option that is proposed to be granted to a Controlling Shareholder or an Associate of a Controlling Shareholder, the Subscription Price for each Share shall be equal to the average of the last dealt price(s) for a Share, as determined by reference to the daily official list published by the SGX-ST, for the three (3) consecutive Market Days immediately preceding the latest practicable date prior to the date of any circular, letter or notice to the Shareholders proposing to seek their approval of the grant of such Options to such Controlling Shareholder and/or Associate of a Controlling Shareholder
- “Market Price Option”** : The right to subscribe for Shares granted or to be granted pursuant to the RMG ESOS 2010 and for the time being subsisting and in respect of which the Subscription Price is the Market Price
- “Notice of 2019 AGM”** : The notice of AGM of the Company dated 4 April 2019 convening the AGM to be held on 26 April 2019
- “Offer Date”** : The date on which an offer to grant an Option is made
- “Option”** : A Market Price Option or an Incentive Option, as the case may be
- “P&L”** : The Company’s consolidated profit and loss statement for each accounting year
- “Participant”** : The holder of an Option, as the case may be
- “Proposals”** : The proposed participation of Dr Sarah Lu Qinghui, an Associate of a Controlling Shareholder, in RMG ESOS 2010 and the proposed grant of Options to Dr Sarah Lu Qinghui under the terms of RMG ESOS 2010

DEFINITIONS

“RMG ESOS 2010”	: Raffles Medical Group (2010) Share Option Scheme, approved and adopted by the Company on 30 April 2010
“Rules”	: The rules of RMG ESOS 2010 as set out in Appendix A to the Company’s Circular to Shareholders dated 8 April 2010, as the same may be amended or modified from time to time
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: Registered holders for the time being of Shares (other than the CDP) or in the case of depositors, depositors who have Shares entered against their names in the Depository Register
“Shares”	: Ordinary shares in the share capital of the Company
“Subscription Price”	: The price at which a Participant shall subscribe for each Share upon the exercise of an Option at Market Price in relation to a Market Price Option, and at a discount to Market Price in relation to an Incentive Option, as adjusted in accordance with Rule 12 of the RMG ESOS 2010
“S\$” and “cents”	: Singapore dollars and cents respectively
“%” or “per cent.”	: Percentage or per centum

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 (Chapter 289 of Singapore). The term **“subsidiary”** shall bear the meaning ascribed to it in Section 5 of the Act. The term **“treasury shares”** shall have the meaning ascribed to it in Section 4 of the 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. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Act or any statutory modification thereof and not otherwise defined in this Appendix shall have the same meaning assigned to it in the Act or any statutory modification thereof, as the case may be. Summaries of the provisions of any laws and regulations contained in this Appendix are of such laws and regulations as at the Latest Practicable Date.

Any reference to a time of day in this Appendix is made by reference to Singapore time unless otherwise stated.

RAFFLES MEDICAL GROUP LTD

Company Registration No. 198901967K

(Incorporated in Singapore)

LETTER TO SHAREHOLDERS

Directors

Dr Loo Choon Yong (Executive Chairman)
Mr Koh Poh Tiong (Lead Independent Director)
Mr Kee Teck Koon (Independent Director)
Mr Eric Ang Teik Lim (Independent Director)
Dr Wee Beng Geok (Independent Director)
Professor Lim Pin (Independent Director)
Mr Raymond Lim Siang Keat (Independent Director)
Mr Lim Beng Chee (Independent Director)
Mr Png Cheong Boon (Independent Director)
Mr Tan Soo Nan (Non-Independent Director)
Mr Olivier Lim Tse Ghow (Non-Independent Director)
Dr Sarah Lu Qinghui (Non-Independent Director)

Registered Office

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

4 April 2019

To: The Shareholders of Raffles Medical Group Ltd

Dear Sir / Madam

- (1) **THE PROPOSED PARTICIPATION OF DR SARAH LU QINGHUI, AN ASSOCIATE OF DR LOO CHOON YONG, A CONTROLLING SHAREHOLDER, IN THE RAFFLES MEDICAL GROUP (2010) SHARE OPTION SCHEME**
- (2) **THE PROPOSED GRANT OF OPTIONS TO DR SARAH LU QINGHUI, AN ASSOCIATE OF DR LOO CHOON YONG, A CONTROLLING SHAREHOLDER, IN THE RAFFLES MEDICAL GROUP (2010) SHARE OPTION SCHEME**

1. INTRODUCTION

The Directors wish to refer Shareholders to:

- (a) the Rules of the RMG ESOS 2010;
- (b) the Notice of 2019 AGM convening the 2019 AGM; and
- (c) the Proposals.

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

2. RMG ESOS 2010

- 2.1 The RMG ESOS 2010 was adopted by the Company at its annual general meeting held on 30 April 2010. Save for the RMG ESOS 2010, the Company does not have any other employee share scheme or employee share option scheme in place. The Rules of the RMG ESOS 2010 are set out in Appendix A to the Company's 2010 Circular which is available on the Company's website.
- 2.2 The purpose of adopting the RMG ESOS 2010 was to provide an opportunity for talented doctors, medical specialists, employees and directors (including non-executive and independent directors) of the Group to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to past contributions and services.
- 2.3 As at the Latest Practicable Date, 108,850,000 Options have been granted under the RMG ESOS 2010.
- 2.4 Pursuant to the Rules of the RMG ESOS 2010, employees of the Group and eligible Directors who are Controlling Shareholder(s) or Associates of Controlling Shareholder(s) are entitled to participate in the RMG ESOS 2010, subject to the approval of independent Shareholders in general meeting in accordance with rule 853 of the Listing Manual.
- 2.5 Accordingly, the purpose of this Appendix is to provide Shareholders with information relating to the Proposals and to seek Shareholders' consent to the same at the 2019 AGM, and may not be relied upon by any persons (other than Shareholders) or for any other purpose.

3. PARTICIPATION BY DR SARAH LU QINGHUI AS ASSOCIATE OF CONTROLLING SHAREHOLDER IN RMG ESOS 2010

Dr Sarah Lu Qinghui joined the Company as a Non-Independent and Non-Executive Director on 20 February 2018. She is the daughter of Dr Loo Choon Yong, the Executive Chairman and Controlling Shareholder of the Company. She has over 13 years of experience as a registered medical practitioner and more than four (4) years of experience as a specialist general surgeon and breast surgeon. She is currently serving as a consultant in general surgery and breast surgery at Tan Tock Seng Hospital, one of the busiest hospitals in Singapore.

She also concurrently participates in the training and education of surgical residents and medical students as the programme director of General Surgery Residency Programme of the National Healthcare Group and serves as a clinical lecturer at the Yong Loo Lin National University of Singapore School of Medicine. Her experience as a consultant surgeon and programme director, will enable her to contribute positively to the Group.

The Committee (which currently comprises Mr Koh Poh Tiong, Mr Eric Ang Teik Lim, Dr Wee Beng Geok and Professor Lim Pin) and the Board believe that as the youngest and newest member of the Board, and with her specialised medical knowledge and expertise, Dr Sarah Lu Qinghui can inject fresh perspective and add new insights which are critical to the continued success of the Company. As retaining and grooming young talent is crucial to enable the Company and Group to reach greater heights, the Committee and the Board believe that Dr Sarah Lu Qinghui should be allowed to participate in the RMG ESOS 2010.

4. THE PROPOSED GRANT OF OPTIONS TO DR SARAH LU QINGHUI, AN ASSOCIATE OF DR LOO CHOON YONG, A CONTROLLING SHAREHOLDER, IN THE RMG ESOS 2010

Pursuant to Rule 5.1 of the RMG ESOS 2010, the aggregate number of Shares over which the Committee may grant Options at any date, when added to the number of Shares issued and issuable in respect of all Options granted under the RMG ESOS 2010 (which is the only share-based incentive scheme of the Company currently in force) shall not exceed 15% of the total issued Shares of the Company on the date preceding the Offer Date of such Option.

Further, pursuant to Rules 5.1.1 and 5.1.2 of the RMG ESOS 2010:

- (a) the aggregate number of Shares which may be offered by way of grant of Options to Group Employees who are Controlling Shareholder(s) and/or their Associates shall not exceed 25% of the total number of Shares available under the RMG ESOS 2010; and
- (b) the aggregate number of Shares which may be offered by way of grant of Options to each Group Employee who is a Controlling Shareholder or his Associate shall not exceed 10% of the total number of Shares available under the RMG ESOS 2010.

For the reasons set out in paragraph 3 above, subject to Shareholders' approval being received at the 2019 AGM for the proposed participation of Dr Sarah Lu Qinghui in the RMG ESOS 2010, it is proposed that approval be given to the Committee to grant Options to her on the following terms:

- (a) Proposed Date of Grant of Option(s) : Within 3 months from the date of the 2019 AGM
- (b) Number of Shares comprised in the : Up to 100,000 Shares (representing approximately 0.006% of the total proposed Option(s) issued Shares as at the Latest Practicable Date)
- (c) Exercise Price per Share : Market Price
- (d) Exercise Period : The period from the day after the first anniversary of the Offer Date to the day falling before the fifth anniversary of the Offer Date

The Committee and the Board (excluding Dr Loo Choon Yong and Dr Sarah Lu Qinghui) are of the view that the proposed grant of Options to Dr Sarah Lu Qinghui is fair given the contribution she has made and will continue to make to the Company by bringing fresh perspective and new insights to the Board. The grant of the Options on the terms as set out above (including its size) is consistent with the purposes of the RMG ESOS 2010 and complies with the rules of the RMG ESOS 2010 and rule 845 of the Listing Manual. The proposed grant of Options to Dr Sarah Lu Qinghui constitutes part of the Company's overall plan for the remuneration of all Participants under the framework for allocation of Options under the RMG ESOS 2010.

The proposed grant of Options to Dr Sarah Lu Qinghui under the RMG ESOS 2010 is considered a share-based payment that falls under the scope of the Singapore Financial Reporting Standards (International) or such other accounting standards that are currently in force.

Under the current accounting standards, the Company is required to recognise an expense in respect of the proposed grant of Options to Dr Sarah Lu Qinghui under the RMG ESOS 2010, as described in the following paragraphs:

- (a) The expense will be based on the fair value of the Options at each Offer Date and will be recognised over the vesting period of the relevant Options as a charge to the Company's P&L. The fair value is normally estimated by applying the option pricing model at the Offer Date, taking into account the terms and conditions of the grant of the Options.

- (b) Before the end of each vesting period and at the end of each accounting year, the estimate of the number of Options that are expected to vest in each Participant by the relevant vesting date is revised, and the impact of the revised estimate is recognised in the consolidated P&L. After the vesting date, no adjustment is made to the charge reflected in the consolidated P&L.

5. ANNUAL GENERAL MEETING

The 2019 AGM will be held at Rooms 324 to 326, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 26 April 2019 at 4.00 p.m. for the purpose of considering and, if thought fit, passing the ordinary resolutions set out in the Notice of 2019 AGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2019 AGM and wish to appoint a proxy to attend and vote at the 2019 AGM on their behalf must complete, sign and return the proxy form in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the share registrar of the Company, M & C Services Private Limited, 112 Robinson Road #05-01 Singapore 068902 not less than 72 hours before the time fixed for the 2019 AGM. The completion and return of a proxy form by a Shareholder does not preclude him from attending and voting in person at the 2019 AGM should he subsequently decide to do so. A Depositor shall not be regarded as a member of the Company entitled to attend the 2019 AGM to speak and vote thereat unless his name appears in the Depository Register as at 72 hours before the 2019 AGM.

7. ABSTENTION FROM VOTING

Dr Loo Choon Yong and Dr Sarah Lu Qinghui will each abstain from voting in respect of ordinary resolutions 10 and 11 as set out in the Notice of 2019 AGM. In addition, Dr Loo Choon Yong and Dr Sarah Lu Qinghui will procure that their respective Associates shall also abstain from voting on the same ordinary resolutions. The Company shall disregard any votes cast by each of the aforementioned persons in respect of ordinary resolutions 10 and 11.

In addition, Dr Loo Choon Yong and Dr Sarah Lu Qinghui shall not accept nominations to act as proxy, corporate representative or attorney to vote in respect of the said ordinary resolutions unless the Shareholders appointing them have indicated clearly how their votes are to be cast in respect of the said ordinary resolutions.

8. DIRECTORS' RECOMMENDATION

Notwithstanding that the Proposals do not relate to a grant of Options to Dr Loo Choon Yong, as it is proposed that Dr Sarah Lu Qinghui, his Associate, will participate in, and be granted Options under the RMG ESOS 2010, Dr Loo Choon Yong has refrained from making any recommendation as to how Shareholders should vote in respect of ordinary resolutions 10 and 11 as set out in the Notice of 2019 AGM. Dr Sarah Lu Qinghui has also refrained from making any recommendation as to how Shareholders should vote in respect of these resolutions.

As the other members of the Board are of the view that the aforementioned resolutions are in the interests of the Company, they recommend that Shareholders vote in favour of these resolutions.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposals, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix 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 these sources and/or reproduced in this Appendix in its proper form and context.

10. INSPECTION OF DOCUMENTS

Copies of the 2010 Circular and the Rules of the RMG ESOS 2010 are available for inspection at the registered office of the Company at 585 North Bridge Road, Raffles Hospital #11-00 Singapore 188770 during normal business hours on any weekday (public holidays excluded) from the date of this Appendix up to and including the date of the 2019 AGM.

Yours faithfully

For and on behalf of the Board of Directors of
RAFFLES MEDICAL GROUP LTD



Dr Loo Choon Yong
Executive Chairman

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