SINGAPORE MEDICAL GROUP LIMITED

(Company Registration No.: 200503187W)
(Incorporated in the Republic of Singapore)

Board of Directors:

MR. TONY TAN CHOON KEAT
(Non-Executive Chairman)
DR. BENG TECK LIANG
(Executive Director and Chief Executive Officer)
DR. WONG SENG WENG
(Executive Director)
MR. HO LON GEE
(Lead Independent Director)
MR. JIMMY YIM WING KUEN
(Independent Director)
MS. STEFANIE YUEN THIO
(Independent Director)

Registered Office:

1004 Toa Payoh North
#06-03/07
Singapore 318995

14 November 2022

To: The shareholders of Singapore Medical Group Limited ("**Shareholders**") and all holders ("**Optionholders**") of outstanding share options granted under the SMG Share Option Scheme which was approved by the Shareholders at an extraordinary general meeting held on 30 April 2014 ("**Company Options**")

Dear Sir/Madam

REVISION OF VOLUNTARY CONDITIONAL GENERAL OFFER BY EYCF, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES

1. INTRODUCTION

1.1 Offer and Options Proposal

On 13 September 2022, Ernst & Young Corporate Finance Pte Ltd ("**EYCF**") announced, for and on behalf of TLW Success Pte. Ltd. ("**Offeror**"), that the Offeror intends to make a voluntary conditional general offer ("**Offer**") in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers ("**Code**") for all the issued and paid-up ordinary shares ("**Shares**") in the capital of Singapore Medical Group Limited ("**Company**"), other than any Shares held in treasury and those Shares held, directly or indirectly, by the Offeror as at the date thereof.

EYCF further announced, for and on behalf of the Offeror, that the Offeror would also make a proposal to Optionholders.

The details and terms of the Offer are contained in the offer document dated 4 October 2022 ("**Offer Document**") issued by EYCF, for and on behalf of the Offeror.

The details and terms of the proposal made to Optionholders ("**Options Proposal**") in relation to Company Options are contained in the letter despatched to Optionholders on 4 October 2022 ("**Options Proposal Letter**").

1.2 **Offeree Circular**

On 18 October 2022, the Company issued a circular ("**Offeree Circular**") to Shareholders and Optionholders in relation to the Offer and the Options Proposal containing, *inter alia*, the recommendation to Shareholders and Optionholders by the Directors of the Company who are considered to be independent for the purposes of the Offer, namely, Mr. Ho Lon Gee, Mr. Jimmy Yim Wing Kuen and Ms. Stefanie Yuen Thio ("**Independent Directors**"), and the advice of ZICO Capital Pte. Ltd. ("**IFA**"), being the independent financial adviser to the Independent Directors in connection with the Offer and the Options Proposal.

On 20 October 2022, the Company further announced a letter dated 20 October 2022 ("**Clarification Letter**") from the IFA in relation to the IFA's advice to the Independent Directors in respect of the Offer and the Options Proposal, and which contained replacement pages of the IFA Letter (as appended to the Offeree Circular) and the relevant extracts of the IFA Letter in the Offeree Circular.

1.3 **Extension of Closing Date**

On 1 November 2022, EYCF announced, for and on behalf of the Offeror that, *inter alia*, the closing date of the Offer (and consequently the closing date for acceptances of the Options Proposal) would be extended from 5.30 p.m. (Singapore time) on 1 November 2022 to 5.30 p.m. (Singapore time) on 15 November 2022 (or such later date(s) as may be announced from time to time by or on behalf of the Offeror).

1.4 **Revision of Offer and Options Proposal**

On 2 November 2022, EYCF announced ("**Revision Announcement**"), for and on behalf of the Offeror, that the Offer would be revised in the manner described in paragraph 2.1 below ("**Revised Offer**") and the Options Proposal would be revised in the manner described in paragraph 2.2 below ("**Revised Options Proposal**").

The Company had on 3 November 2022 issued an announcement ("**Offeree Response Announcement**") in response to the Revision Announcement.

Copies of the Revision Announcement and the Offeree Response Announcement are available on the website of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") at www.sgx.com and on the website of the Company at https://www.smg.sg.

1.5 **Revision Notification**

Shareholders should by now have received a copy of the written notification to Shareholders dated 9 November 2022 ("**Offer Revision Notification**") in relation to, *inter alia*, the revision of the Offer Consideration (as defined in the Offeree Circular).

Optionholders should by now have received a copy of the written notification to Optionholders dated 9 November 2022 ("**Options Proposal Revision Notification**") in relation to, *inter alia*, the revision of the Option Price (as defined in the Offeree Circular).

Copies of the Offer Revision Notification and Options Proposal Revision Notification are available on the website of the SGX-ST at www.sgx.com and on the website of the Company at https://www.smg.sg.

Shareholders are advised to read and consider carefully the revised terms and conditions of the Offer set out in the Revision Announcement and Offer Revision Notification.

Optionholders are advised to read and consider carefully the revised terms and conditions of the Options Proposal set out in the Revision Announcement and the Options Proposal Revision Notification.

1.6 **Definitions**

Unless otherwise defined, all capitalised terms used in this supplemental letter to the Offeree Circular ("**Supplemental Letter**") shall bear the same meanings ascribed to them in the Offeree Circular.

References to the "**Latest Practicable Date**" in this Supplemental Letter refer to 4 November 2022.

1.7 **Purpose of this Supplemental Letter**

The purpose of this Supplemental Letter, which supplements the Offeree Circular, is to provide Shareholders and Optionholders with information on the Revised Offer and Revised Options Proposal and to set out the advice of the IFA and the recommendation of the Independent Directors to Shareholders and Optionholders in respect of the Revised Offer and the Revised Options Proposal respectively.

This Supplemental Letter is important as it contains the recommendation of the Independent Directors to the Shareholders and Optionholders and the advice of the IFA to the Independent Directors in respect of the Revised Offer and Revised Options Proposal. This Supplemental Letter requires the immediate attention of the Shareholders and Optionholders. Shareholders and Optionholders should read and consider carefully, the information contained in the Supplemental Letter, including the advice of the IFA to the Independent Directors and the recommendation of the Independent Directors, before deciding whether or not to accept the Revised Offer and/or Revised Options Proposal (as the case may be).

Shareholders and/or Optionholders (as the case may be) who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers immediately.

2. REVISION OF OFFER CONSIDERATION AND OPTION PRICE

2.1 Revised Final Offer Consideration

As stated in paragraph 2 of the Revision Announcement and paragraph 3.1 of the Offer Revision Notification, the Offeror is revising the Offer Consideration to the Revised Final Offer Consideration (as defined below) as follows (the "**Offer Consideration Revision**"):

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. 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").

Paragraph 2 of the Revision Announcement and paragraph 3.1 of the Offer Revision Notification further state that 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.

Shareholders who have earlier validly accepted the Offer are entitled to the Revised Final Offer Consideration, 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 Shareholders who have already validly accepted the Offer.

2.2 Revised Final Option Price

As stated in paragraph 5 of the Revision Announcement and paragraph 3.2 of the Options Proposal Revision Notification, following the Offer Consideration Revision, 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 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.

2.3 **Confirmation of Financial Resources**

As stated in paragraph 11 of the Revision Announcement and paragraph 8 of the Offer Revision Notification, EYCF, as the sole financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by the holders of the Offer Shares on the basis of the Revised Final Cash Consideration, excluding the quantum which would otherwise have been required under the Promoter Irrevocable Undertakings and the Relevant Shareholder Irrevocable Undertakings had the Revised Final Cash Consideration been payable for the acceptance of the Offer under the Promoter Irrevocable Undertakings and the Relevant Shareholder Irrevocable Undertakings.

3. FURTHER EXTENSION OF CLOSING DATE

As stated in paragraphs 6 of the Revision Announcement, the Offer Revision Notification and the Options Proposal Revision Notification respectively, 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 Offer Revision Notification.

Accordingly, as stated in paragraphs 6 of the Offer Revision Notification and the Options Proposal Revision Notification respectively, 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).

Shareholders and 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 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.

4. OTHER TERMS

As stated in paragraph 2 of the Revision Announcement and paragraph 3.3 of the Offer Revision Notification, save as disclosed in the Revision Announcement and the Offer Revision Notification, all other terms and conditions of the Offer as set out in the Offer Document remain unchanged.

As stated in paragraph 5 of the Revision Announcement and paragraph 3.3 of the Options Proposal Revision Notification, save as disclosed in the Revision Announcement and the Options Proposal Revision Notification, all other terms and conditions of the Options Proposal as set out in the Options Proposal Letter remain unchanged.

5. IFA ADVICE AND RECOMMENDATION IN RELATION TO THE REVISED OFFER AND THE REVISED OPTIONS PROPOSAL

5.1 General

ZICO Capital Pte. Ltd. has been appointed as the IFA to advise the Independent Directors.

Shareholders and Optionholders should read and carefully consider the recommendation of the Independent Directors as set out in paragraph 6 below and the advice of the IFA to the Independent Directors which is set out in its supplemental letter dated 14 November 2022 ("**Supplemental IFA Letter**") in **APPENDIX I** to this Supplemental Letter, before deciding whether or not to accept the Revised Offer or the Revised Options Proposal (as the case may be).

5.2 Key factors taken into consideration by the IFA

The key factors relied upon the IFA in arriving at its advice to the Independent Directors in respect of the Revised Offer and the Revised Options Proposal are set out in paragraph 8 of the Supplemental IFA Letter.

Shareholders and Optionholders should read and carefully consider the key factors considered by the IFA in arriving at its advice to the Independent Directors in conjunction with, and in the context of, the full text of the Supplemental IFA Letter.

5.3 Advice of the IFA to the Independent Directors

The advice of the IFA to the Independent Directors in respect of the Revised Offer and the Revised Options Proposal is set out in the Supplemental IFA Letter in **APPENDIX I** to this Supplemental Letter. Based on the IFA's evaluation of the financial terms of the Revised Offer and the Revised Options Proposal, and taking into consideration the factors set out in the Supplemental IFA Letter and the information available to the IFA as at the Latest Practicable Date, the IFA has given its advice to the Independent Directors as set out in paragraph 9 of the Supplemental IFA Letter, an extract of which is set out below.

Shareholders and Optionholders should read the extract in conjunction with, and in the context of, the full text of the Supplemental IFA Letter. Unless otherwise defined, all terms and expression used in the extract below shall bear the same meanings ascribed to them in the Supplemental IFA Letter.

"***9. OUR OPINION***

In arriving at our opinion in relation to the Revised Offer and Options Proposal, we have considered the views and representations made by the Directors and Management and reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the financial terms of the Revised Offer and Options Proposal. We have carefully considered factors which we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our Supplemental IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.

We wish to highlight some of the key factors we have considered, in reaching our opinion:

(i) the Revised Final Offer Consideration represents a premia of approximately 14.3% and 321.1% to the NAV per Share and NTA per Share respectively, as at 30 June 2022;

(ii) the Shares have traded below the Revised Final Offer Consideration during the Reference Period, save for a period of 13 days during the Relevant Spike Period during which the Company had announced that it was in preliminary discussions with a third party regarding a possible transaction involving the Shares. The daily closing prices of the Shares had trended downwards below the Revised Final Offer Consideration from 15 April 2021 (after the Company announced that the said transaction would not proceed further) to the Offer Announcement Date, and subsequently to the Latest Practicable Date;

(iii) trading liquidity of the Shares is low throughout the Reference Period;

(iv) the Revised Final Offer Consideration represents premia of approximately 27.5%, 25.8%, 28.9% and 28.1% over the respective VWAPs of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day;

(v) the Revised Final Offer Consideration represents a premium of approximately 1.3% to the closing price of the Shares as at the Latest Practicable Date. We noted that the trading activity and the closing price of the Shares as at the Latest Practicable Date is likely supported by the Revised Final Offer Consideration;

(vi) the Group's PER as implied by the Revised Final Offer Consideration is 13.2 times, and is within the range observed for the Comparable Companies, higher than the median but marginally lower than the average PERs of the Comparable Companies;

(vii) the Group's P/NAV and P/NTA ratios as implied by the Revised Final Offer Consideration are 1.1 times and 4.2 times respectively, and are within the range observed for the Comparable Companies, but lower than the average and median respective ratios of the Comparable Companies;

(viii) the EV/EBITDA ratio of the Group as implied by the Revised Final Offer Consideration is 6.7 times, and is within the range observed for the Comparable Companies, higher than the median but lower than the average EV/EBITDA ratios of the Comparable Companies;

(ix) the premia of 28.1%, 28.9%, 25.8% and 27.5% implied by the Revised Final Offer Consideration over the 1-month, 3-month, 6-month and 12-month VWAPs of the Shares prior to and including the Last Trading Day are within the range of premia/discounts, but lower than the average and median premia, of the Precedent Privatisation Transactions;

(x) the premium of 23.1% implied by the Revised Final Offer Consideration over the last transacted price of the Shares on the Last Trading Day is within the range of premia, above the median but lower than the average premia, of the Precedent Privatisation Transactions;

(xi) the premia implied by the Revised Final Offer Consideration over the last transacted price of the Shares on the Last Trading Day, the 1-month, 3-month, 6-month, and 12-month VWAPs of the Shares prior to and including the Last Trading Day, are each higher than the relevant premia associated with the voluntary general offers for Singapore O&G Ltd and Asian Healthcare Specialists Limited, which are both comparable companies operating within the same industry as the Group. Singapore O&G Ltd has since been delisted from the SGX-ST, and as at 10 November 2022, the voluntary general offer for Asian Healthcare Specialists Limited was declared unconditional in all respects;

(xii) the Group's Offer Price Premium of 23.1% is higher than the Offer Price Premium of the Selected Comparable Companies;

(xiii) the Group's PER Premium of 23.1% is higher than the PER Premium of the Selected Comparable Companies;

(xiv) the Group's EV/EBITDA Premium of 25.4% is higher than the EV/EBITDA Premium of the Selected Comparable Companies;

(xv) the Revised Final Offer Consideration is within the estimated range of values of the Shares set out in Section 8.7 of this Supplemental IFA Letter;

(xvi) the relatively short track record in paying dividends since 23 July 2009, being the year of listing on the SGX-ST;

(xvii) the outlook of the Group, in which the Group expects revenue growth, but at the same time margin compression, and significant operating and financial constraints in executing its strategies and plans for growth; and

(xviii) EYCF has announced, for and on behalf of the Offeror, that 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.

Having considered carefully the information available to us as at the Latest Practicable Date, and based on our analyses, we are of the opinion that the financial terms of the Revised Offer and Options Proposal are on balance, fair and reasonable. *Accordingly, we advise the Independent Directors to recommend Shareholders to* ***ACCEPT*** *the Offer (based on the Revised Final Offer Consideration).*

In addition, Shareholders who wish to accept the Offer (based on the Revised Final Offer Consideration) may elect to receive the Revised Final Cash Consideration, or the Share Consideration if they have confidence in the Company's long-term prospects after considering the Offeror's views set out in Section 7.5 of the Offer Document and paragraph 5 of the Offer Revision Notification, and having regard to their own specific investment profiles and objectives. Nevertheless, we wish to highlight that Shareholders who elect to receive the Share Consideration should be mindful of the risks and restrictions associated with an investment as a minority shareholder of an unlisted company (including those set out in Appendix I and Appendix II to the Offer Document).

With regard to the Options Proposal and the Optionholders, as the Revised Final Option Price is calculated on a "see-through" basis, the consideration an Optionholder would receive from accepting the Options Proposal would be the same as if the Optionholders were to exercise the Options and accept the Offer (after considering the Revised Final Option Price of S$0.001 for each Company Option if the exercise price of a Company Option is equal to or more than the Revised Final Cash Consideration). Our analysis and conclusion with reference to the Revised Final Offer Consideration will therefore, be similarly relevant to the Optionholders. *Accordingly, we advise the Independent Directors to recommend the Optionholders to* ***ACCEPT*** *the Options Proposal.*

In arriving at our opinion, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder and Optionholder. As different Shareholders and Optionholders would have different investment profiles and objectives, we recommend that any Shareholder or Optionholders who may require specific advice in relation to his/her investment objectives or portfolio should consult his/her legal, financial, tax or other professional adviser immediately.

We wish to emphasise that the Directors have not provided us with any financial projections or forecasts in respect of the Company or the Group and we have, inter alia, relied on the relevant statements contained in the Offer Document, Circular, Supplemental Letter, confirmations, advice and representations by the Directors, the Management and/or their professional advisers (where applicable), and the Company's announcements in relation to the Revised Offer and Options Proposal. In addition, Directors should note that we have arrived at our recommendation based on information made available to us prior to and including the Latest Practicable Date. We assume no responsibility to update, review or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date, unless otherwise stated.

We would like to highlight that we do not express any opinion on the rationale for, as well as the legal and commercial risks and/or merits (if any) of the Revised Offer and Options Proposal, which remains the sole responsibility of the Directors. It is also not within our terms of reference to provide an opinion on the relative merits of the Revised Offer and Options Proposal vis-à-vis any alternative transactions previously considered by the Company or transactions that the Company may consider in the future."

6. RECOMMENDATION OF THE INDEPENDENT DIRECTORS IN RELATION TO THE REVISED OFFER AND THE REVISED OPTIONS PROPOSAL

6.1 Independent Directors

For the reasons set out in Section 13.1 of the Offeree Circular, each of Mr. Tony Tan Choon Keat ("**TTCK**"), Dr. Beng Teck Liang ("**BTL**") and Dr. Wong Seng Weng ("**WSW**") has been exempted from the requirement to make a recommendation on the Offer to Shareholders. Notwithstanding such exemption, each of TTCK, BTL and WSW must still assume responsibility for the accuracy of facts stated and opinions expressed in documents or advertisements issued by, or on behalf of, the Company in connection with the Offer.

The Independent Directors are Mr. Ho Lon Gee, Mr. Jimmy Yim Wing Kuen and Ms. Stefanie Yuen Thio. All of the Independent Directors consider themselves to be independent for the purposes of making a recommendation to the Shareholders and the Optionholders on the Revised Offer and the Revised Options Proposal.

6.2 Independent Directors' Recommendation

As set out in Section 13.2 of the Offeree Circular, the Independent Directors had previously recommended (a) based on the initial terms and conditions of the Offer, that the Shareholders accept the Offer and (b) based on the initial terms and conditions of the Options Proposal, that the Optionholders accept the Options Proposal.

Subsequent to the Revision Announcement, the Independent Directors, having considered carefully (i) the terms and conditions of the Revised Offer and the Revised Options Proposal; (ii) the current operating environment and continuing challenges faced by the Group as described in Section 13.2 of the Offeree Circular; and (iii) the advice given by the IFA in the Supplemental IFA Letter, set out their recommendation on the Revised Offer and Revised Options Proposal respectively below:

(a) Revised Offer

The Independent Directors **concur** with the advice of the IFA in respect of the Revised Offer, and accordingly, recommend that Shareholders should **accept** the Revised Offer, unless there is a superior offer or Shareholders are able to obtain a price higher than the Revised Final Offer Consideration in the open market, taking into account all the brokerage and transaction costs in connection with open market transactions.

(b) Revised Options Proposal

The Independent Directors **concur** with the advice of the IFA in respect of the Revised Options Proposal, and accordingly, recommend that Optionholders should **accept** the Revised Options Proposal.

Shareholders and Optionholders should note that the IFA's advice and the recommendation of the Independent Directors should not be relied upon by any Shareholder or Optionholder as the sole basis for deciding whether to accept or reject the Revised Offer and/or the Revised Options Proposal (as the case may be). The IFA, in giving its advice, and the Independent Directors, in making their recommendation, have not had regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any individual Shareholder or Optionholder. Accordingly, the

Independent Directors recommend that any individual Shareholder or Optionholder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

SHAREHOLDERS AND OPTIONHOLDERS SHOULD READ AND CONSIDER CAREFULLY THIS SUPPLEMENTAL LETTER, INCLUDING THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS AND THE ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE REVISED OFFER AND THE REVISED OPTIONS PROPOSAL AS SET OUT IN THE SUPPLEMENTAL IFA LETTER IN APPENDIX I TO THIS SUPPLEMENTAL LETTER IN THEIR ENTIRETY, BEFORE DECIDING WHETHER OR NOT TO ACCEPT THE REVISED OFFER OR THE REVISED OPTIONS PROPOSAL (AS THE CASE MAY BE). SHAREHOLDERS AND OPTIONHOLDERS ARE ALSO URGED TO READ THE OFFER DOCUMENT, REVISION ANNOUNCEMENT, AND OFFER REVISION NOTIFICATION AND/OR OPTIONS PROPOSAL REVISION NOTIFICATION (AS THE CASE MAY BE) CAREFULLY.

Shareholders and Optionholders should also be aware and note that there is no assurance that the price of the Shares will remain at current levels after the close of the Offer and the current price performance of the Shares is not indicative of the future price performance levels of the Shares.

6.3 **Intentions of the Directors in respect of their Offer Shares**

As stated in paragraph 5.11 of Appendix II to the Offeree Circular, the Directors who hold or have a deemed interest in the Offer Shares as at 7 October 2022 had indicated their intention in relation to accepting or rejecting the Offer in respect of such Offer Shares as follows:

(a) TTCK would, pursuant to his Promoter Irrevocable Undertaking be, *inter alia*, (i) accepting the Offer in respect of all the Shares held by him; (ii) electing to receive the Share Consideration (and not the Cash Consideration) for all his Shares, provided that as he had already subscribed for one (1) share in the Offeror at a share price of S$1.00 as at the date of incorporation of the Offeror, he agreed (A) to receive one (1) less New Offeror Share than would have otherwise been received in respect of the Share Consideration; and (B) that the aggregate value of such New Offeror Shares received by him will be such dollar amount derived by multiplying the Cash Consideration and the number of Shares tendered in the Offer, less the initial subscription amount of S$1.00; and (iii) accepting the Offer in respect of any other Shares or securities in the capital of the Company that he may acquire, or which may be allocated and issued to him on or after the date of the Promoter Irrevocable Undertakings;

(b) BTL would, pursuant to his Promoter Irrevocable Undertaking be, *inter alia*: (i) accepting the Offer in respect of all the Shares held by him; (ii) electing to receive the Share Consideration (and not the Cash Consideration) for all his Shares, provided that as he had already subscribed for one (1) share in the Offeror at a share price of S$1.00 as at the date of incorporation of the Offeror, he agreed (A) to receive one (1) less New Offeror Share than would have otherwise been received in respect of the Share Consideration; and (B) that the aggregate value of such New Offeror Shares received by him will be such dollar amount derived by multiplying the Cash Consideration and the number of Shares tendered in the Offer, less the initial

subscription amount of S$1.00; (iii) accepting the Offer in respect of any other Shares or securities in the capital of the Company that he may acquire, or which may be allocated and issued to him on or after the date of the Promoter Irrevocable Undertakings; and (iv) not exercising all or any of his Company Options held by him and accepting the Options Proposal in respect of all the Company Options held by him;

(c) WSW would, pursuant to his Promoter Irrevocable Undertaking be, *inter alia*, (i) accepting the Offer in respect of all the Shares held by him; (ii) electing to receive the Share Consideration (and not the Cash Consideration) for all his Shares, provided that as he had already subscribed for one (1) share in the Offeror at a share price of S$1.00 as at the date of incorporation of the Offeror, he agreed (A) to receive one (1) less New Offeror Share than would have otherwise been received in respect of the Share Consideration; and (B) that the aggregate value of such New Offeror Shares received by him will be such dollar amount derived by multiplying the Cash Consideration and the number of Shares tendered in the Offer, less the initial subscription amount of S$1.00; and (iii) accepting the Offer in respect of any other Shares or securities in the capital of the Company that he may acquire, or which may be allocated and issued to him on or after the date of the Promoter Irrevocable Undertakings;

(d) Mr. Ho Lon Gee had informed the Company that he intends to accept the Offer in respect of all the Shares held by him and to elect to receive the Cash Consideration (and not the Share Consideration) for all his Shares;

(e) Mr. Jimmy Yim Wing Kuen had informed the Company that he intends to accept the Offer in respect of all the Shares held by him and to elect to receive the Share Consideration (and not the Cash Consideration) for all his Shares; and

(f) Ms. Stefanie Yuen Thio had informed the Company that she intends to accept the Offer in respect of all the Shares held by her and to elect to receive the Cash Consideration (and not the Share Consideration) for all her Shares.

As at the Latest Practicable Date, TTCK, BTL, WSW, Mr. Ho Lon Gee, Mr. Jimmy Yim Wing Kuen and Ms. Stefanie Yuen Thio have informed the Company that they have tendered their acceptance of the Offer in respect of all the Shares held by them.

As at the Latest Practicable Date, BTL has informed the Company that he has accepted the Options Proposal in respect of all the Company Options held by him.

7. ACTION TO BE TAKEN BY SHAREHOLDERS AND OPTIONHOLDERS

7.1 Acceptance Procedures for Shareholders

Shareholders who have validly accepted the Offer prior to the date of the Revision Announcement are not required to take any further action in relation to the Revised Offer.

As stated in paragraph 9 of the Revision Announcement and paragraph 7(b) of the Offer Revision Notification, Shareholders who wish to accept the Revised Offer but have not done so should complete, sign and submit their relevant Acceptance Form(s) and all other relevant documents 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

of the Offer are set out in Appendix VI to the Offer Document, the accompanying relevant Acceptance Form(s) and (where applicable, in respect of Shareholders that are depository agents who wish to elect the Share Consideration in respect of Offer Shares held on behalf of its sub-account holder(s)) the Sub-Account Holders Form and the DA Letter.

Depositors who have not received or who have misplaced the FAA may obtain a copy of such FAA, upon production of satisfactory evidence that they are Shareholders, by submitting a request to CDP via telephone (+65 6535 7511) during their operating hours or email services (asksgx@sgx.com). Electronic copies of the FAA may also be obtained on the website of the SGX-ST at www.sgx.com and on the website of the Company at https://www.smg.sg.

Shareholders whose Offer Shares are not deposited with CDP and who have not received or who have misplaced the FAT may obtain a copy of such FAT, upon production of satisfactory evidence that they are Shareholders, from TLW Success Pte. Ltd. c/o Tricor Barbinder Share Registration Services at its office located at 80 Robinson Road, #11-02, Singapore 068898. Electronic copies of the FAT may also be obtained on the website of the SGX-ST at www.sgx.com and on the website of the Company at https://www.smg.sg.

7.2 **Acceptance Procedures for SRS Investors**

As stated in paragraph 9 of the Revision Announcement and paragraph 7(b) of the Offer Revision Notification, SRS Investors who wish to accept the Revised Offer but have not done so should contact their respective SRS Agent Banks as to the deadline, which may be earlier than the Closing Date, by which such banks would need to receive instructions in order to tender their acceptances of the Revised Offer.

7.3 **Acceptance Procedures for Optionholders**

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

Optionholders who wish to accept the Revised 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.

8. MATERIAL CHANGES IN INFORMATION

Save as disclosed in this Supplemental Letter or any publicly available information on the Company (including but not limited to the announcements released by the Company on SGXNET), there has been no material change in any information previously announced by or on behalf of the Company during the period commencing from 7 October 2022, being the latest practicable date prior to the electronic dissemination of the Offeree Circular, and ending on 4 November 2022, being the Latest Practicable Date prior to the electronic dissemination of this Supplemental Letter.

9. CONSENT

The IFA has given and has not withdrawn its written consent to the issue of this Supplemental Letter with the inclusion of its name, the Supplemental IFA Letter in **APPENDIX I** to this Supplemental Letter, and all references to the IFA's name, in the form and context in which they appear in this Supplemental Letter.

10. DOCUMENTS AVAILABLE FOR INSPECTION

In addition to the documents referred to in Section 19 of the Offeree Circular, copies of the following documents will be available for inspection at the registered office of the Company at 1004 Toa Payoh North #06-03/07 Singapore 318995 during normal business hours from the date of this Supplemental Letter up to and including the Closing Date:

(a) the Supplemental IFA Letter as set out in **APPENDIX I** to this Supplemental Letter; and

(b) the letter of consent from the IFA referred to in paragraph 9 of this Supplemental Letter above.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Supplemental Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Supplemental Letter are fair and accurate and that no material facts have been omitted from this Supplemental Letter (the omission of which would render any statement in this Supplemental Letter misleading in any material respect), and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including, without limitation, the Offer Announcement, Offer Document, Options Proposal Letter, the Revision Announcement, the Offer Revision Notification, the Options Proposal Revision Notification, the IFA Letter and the Supplemental IFA Letter), the sole responsibility of the Directors has been to ensure through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Supplemental Letter in its proper form and context.

In respect of the Supplemental IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Group are fair and accurate. Further, the Independent Directors are solely responsible in respect of the recommendation of the Independent Directors to Shareholders and Optionholders as set out in paragraph 6.2 of this Supplemental Letter.

*This Supplemental Letter has been prepared by the Company and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited ("**Sponsor**") for compliance with the relevant rules of the SGX-ST Listing Manual Section B: Rules of Catalist.*

This Supplemental Letter has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Supplemental Letter, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Supplemental Letter.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

APPENDIX I – SUPPLEMENTAL LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE REVISED OFFER AND REVISED OPTIONS PROPOSAL

14 November 2022

Singapore Medical Group Limited
1004 Toa Payoh North
#06-03/07
Singapore 318995

To: The Directors of Singapore Medical Group Limited (the "**Company**" or "**SMG**") who are considered independent for the purposes of making the recommendation to the Shareholders in respect of the Revised Offer and Options Proposal (as defined hereunder):

Mr. Ho Lon Gee	Lead Independent Director
Mr. Jimmy Yim Wing Kuen	Independent Director
Ms. Stefanie Yuen Thio	Independent Director

(collectively, the "**Independent Directors**")

Dear Sirs,

REVISION OF 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 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)

*Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter shall have the same meaning as defined in the circular to shareholders of the Company (the "**Shareholders**") dated 18 October 2022 (the "**Circular**") and in the supplemental letter to Shareholders dated 14 November 2022 (the "**Supplemental Letter**") issued by the Company. For the purposes of this letter, the Latest Practicable Date is 4 November 2022.*

1. INTRODUCTION

On 13 September 2022 (the "**Offer Announcement Date**"), Ernst & Young Corporate Finance Pte Ltd ("**EYCF**") announced, for and on behalf of the Offeror, that the Offeror intends to make a voluntary conditional general offer (the "**Offer**") for all the issued and paid-up ordinary shares (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 (collectively, the "**Offer Shares**" and each, an "**Offer Share**"), in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**").

On 4 October 2022, the Offer Document and related documents in connection with the Offer and Options Proposal were electronically despatched to shareholders of the Company ("**Shareholders**") and holders of the Company's options ("**Optionholders**").

On 18 October 2022, the Company issued the Circular to Shareholders containing, *inter alia*, the recommendation of the Independent Directors for the purposes of making a recommendation to the Shareholders and Optionholders in respect of the Offer and the Options Proposal and the

advice of ZICO Capital Pte. Ltd. ("**ZICO Capital**"), being the appointed independent financial adviser ("**IFA**") to the Independent Directors in respect of the Offer and the Options Proposal.

On 20 October 2022, ZICO Capital informed the Company by way of a letter, of certain errors in the volume-weighted average prices set out in the table on page 14 of the IFA Letter, and confirmed that (i) the said errors do not have a material impact on the IFA's assessment, and (ii) the IFA's opinion and recommendation to the Independent Directors as set out in paragraph 10 of the IFA Letter are unaffected and remained unchanged (the "**Clarification Letter**"). On the same date, the Company issued a corrigendum announcement of the same, setting out *inter alia*, a replacement of the affected pages of the IFA Letter (the "**Replacement Pages**") and the relevant extracts of the IFA Letter in the Circular. The notice to Shareholders and Optionholders containing instructions for the electronic retrieval of the Clarification Letter and Replacement Pages was subsequently despatched on 26 October 2022.

On 1 November 2022, the Offeror extended the closing date of the Offer from 5.30 p.m. (Singapore time) on 1 November 2022 to 5.30 p.m. (Singapore time) on 15 November 2022, or such later date(s) as may be announced from time to time by or on behalf of the Offeror (the "**Extended Closing Date**").

On 2 November 2022 (the "**Offer Revision Date**"), EYCF, on behalf of the Offeror, announced the revision of the Offer Consideration and the Option Price (the "**Revised Offer and Options Proposal**") (the "**Offer Revision Announcement**") as follows: (i) the Cash Consideration would be revised from S$0.37 per Offer Share to S$0.40 per Offer Share (the "**Revised Final Cash Consideration**"), or (ii) in lieu thereof, one (1) New Offeror Share. Following the revision of the Cash Consideration, the issue price of each New Offeror Share shall be equivalent to the Revised Final Cash Consideration (collectively, the "**Revised Final 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**").

In the same announcement, the Offeror announced valid acceptances of the Offer amounting to 376,581,311 Shares, representing approximately 77.42% of the total number of issued Shares of 486,382,109 Shares (excluding 232,729 Shares held in treasury) and approximately 76.23% of the maximum potential number of issued Shares of 494,037,109 Shares. These acceptances include acceptances received from persons acting in concert with the Offeror, which amount in aggregate to 83,003,255 Shares, representing approximately 17.07% of the total number of issued Shares and approximately 16.80% of the maximum potential number of issued Shares. For the avoidance of doubt, the "maximum potential number of issued Shares" include Shares which would be in issue had all outstanding Company Options and Company Awards (if any) been validly exercised.

On 3 November 2022, the Company announced the Revised Offer and Options Proposal, the Extended Closing Date, and the level of valid acceptances of the Offer as at 6.00 p.m. (Singapore time) on 2 November 2022.

On 9 November 2022, copies of the (i) written notification to Shareholders in relation to, *inter alia*, the Revised Final Offer Consideration (the "**Offer Revision Notification**"); and (ii) written notification to Optionholders in relation to, *inter alia*, the Revised Final Option Price (the "**Options Proposal Revision Notification**") were posted on SGXNet. In the same announcement, the Offeror announced valid acceptances of the Offer amounting to 380,602,191 Shares (excluding 232,729 Shares held in treasury), representing approximately 78.25% of the total number of issued Shares and approximately 77.04% of the maximum potential number of issued Shares. These acceptances included acceptances received from persons acting in concert with the Offeror, amounting in aggregate to 83,003,255 Shares, representing approximately 17.07% of the total number of issued Shares and approximately 16.80% of the maximum potential number

of issued Shares. It was also announced that the closing date of the Offer (and consequently the closing date for acceptances of the Options Proposal) is extended from 5.30 p.m. (Singapore time) on 15 November 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).

The Company has appointed ZICO Capital as the IFA to advise the Independent Directors, for the purpose of making a recommendation to the Shareholders and Optionholders in respect of the Revised Offer and Options Proposal.

This supplemental IFA Letter (the "**Supplemental IFA Letter**") is addressed to the Independent Directors and sets out, *inter alia*, our evaluation and opinion on whether the financial terms of the Revised Offer and Options Proposal are fair and reasonable, and our recommendations thereon. This Supplemental IFA Letter forms part of the Supplemental Letter to be despatched to Shareholders and Optionholders in relation to the Revised Offer and Options Proposal, which provides, *inter alia,* the details of the Revised Offer and Options Proposal as well as the recommendations of the Independent Directors in respect of the Revised Offer and Options Proposal.

2. TERMS OF REFERENCE

ZICO Capital has been appointed as IFA to opine on whether the financial terms of the Revised Offer and Options Proposal are fair and reasonable, and to provide our recommendations thereon.

We were not involved in or responsible for, any aspect of the negotiations pertaining to the Revised Offer and Options Proposal, nor were we involved in the deliberations leading up to the Revised Offer and Options Proposal. We were not required, instructed or authorised, to solicit, and we have not solicited, any indications of interest from any third party with respect to any other proposals for transactions similar to or in lieu of the Revised Offer and Options Proposal. It is also not within our terms of reference to compare the relative merits of the Revised Offer and Options Proposal *vis-à-vis* any alternative transactions previously considered by the Directors or transactions that the Directors may consider in the future. Such comparison and consideration shall remain the responsibility of the Directors. We do not, by this Supplemental IFA Letter, warrant the merits of the Revised Offer and Options Proposal other than to express an opinion on whether the financial terms of the Revised Offer and Options Proposal are fair and reasonable, and to provide our recommendations thereon.

We have confined our evaluation and analysis of the Revised Offer and Options Proposal strictly and solely to the financial terms of the Revised Offer and Options Proposal. Our terms of reference do not require us to evaluate or comment on the rationale for, as well as the legal, strategic, commercial and financial risks and/or merits (if any) of the Revised Offer and Options Proposal, or on the future financial performance or prospects of the Company and its subsidiaries (the "**Group**"). Accordingly, we have not made such evaluations or comments. Such evaluations or comments shall remain the sole responsibility of the Directors and the management of the Company (the "**Management**"), although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion and recommendation as set out in this Supplemental IFA Letter.

It is also not within the scope of our appointment to express any view herein as to the prices at which the Shares may trade or on the future performance of the Company and/or the Group upon the completion or expiry of the Revised Offer and Options Proposal. We have not relied upon any financial projections or forecasts in respect of the Company or the Group. We are not required to express, and we do not express, any views on the growth prospects, earnings potential, future financial performance, or future financial position of the Company or the Group arising from the Revised Offer and Options Proposal or otherwise. No financial or profit forecasts, business plans or management accounts of the Company and/or the Group have been specifically prepared for

the purpose of evaluating the Revised Offer and Options Proposal, save for those that were set out in the Circular and the Supplemental Letter.

In the course of our evaluation of the financial terms of the Revised Offer and Options Proposal, we have held discussions with the Directors, the Management and/or their professional advisers (where applicable) and have examined and relied to a considerable extent on the information set out in the Circular and the Supplemental Letter, other publicly available information collated by us as well as information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Directors, the Management and/or their professional advisers (where applicable). Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any warranty or representation, expressed or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have nevertheless made such reasonable enquiries and exercised judgement on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular and the Supplemental Letter have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information but nevertheless have made reasonable enquiries and exercised judgement on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

We have relied upon the assurances from the Directors and the Management (including those who may have delegated detailed supervision of the Circular and the Supplemental Letter), who have accepted full responsibility for the accuracy and completeness of the information provided to us, that, to the best of their knowledge and belief, they have taken reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Circular and the Supplemental Letter are true, complete and accurate in all material aspects. The Directors and Management have confirmed to us that, to the best of their knowledge and belief, the Circular and the Supplemental Letter constitutes full and true disclosure of all material facts about the Offer and Options Proposal, the Revised Offer and Options Proposal and the Group, and the Directors and the Management are not aware of any facts, the omission of which would cause any statement in the Circular and the Supplemental Letter in respect of the Group, the Offer and Options Proposal, and the Revised Offer and Options Proposal to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

We have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, the property, plant and equipment) of the Group.

Our opinion and recommendation set out in this Supplemental IFA Letter are based on market, economic, industry, monetary and other conditions (if applicable) prevailing, as well as information and representations provided to us as at the Latest Practicable Date. Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our opinion and recommendation in the light of any subsequent developments after the Latest Practicable Date that may affect our opinion and/or our recommendation contained herein. Shareholders and Optionholders should take note of any announcements relevant to their consideration of the Revised Offer and Options Proposal, which may be released after the Latest Practicable Date.

In rendering our advice and providing our opinion and recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder, Optionholder or any specific group of Shareholders or Optionholders. As different Shareholders would have different investment profiles and objectives,

we would advise the Independent Directors to recommend that any individual Shareholder, group of Shareholders, Optionholder or group of Optionholders who may require specific advice in the context of his or their investment objective(s) or portfolio(s) consult his or their legal, financial, tax or other professional advisers immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Supplemental Letter (other than this Supplemental IFA Letter). We have had no role or involvement, and have not provided any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Supplemental Letter (other than this Supplemental IFA Letter). Accordingly, we take no responsibility for, and express no views, whether expressed or implied, on the contents of the Supplemental Letter (except for this Supplemental IFA Letter and the extract of our opinion and recommendation in the Supplemental Letter).

We have prepared this Supplemental IFA Letter for the use by the Independent Directors in connection with their consideration of the Revised Offer and Options Proposal, but any recommendations made by the Independent Directors in respect of the Revised Offer and Options Proposal shall remain their sole responsibility.

Whilst a copy of this Supplemental IFA Letter may be reproduced in the Supplemental Letter, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Supplemental IFA Letter (or any part thereof) for any other purposes other than for the consideration of the Revised Offer and Options Proposal at any time and in any manner without the prior written consent of ZICO Capital in each specific case.

Our opinion and recommendation in relation to the Revised Offer and Options Proposal should be considered in the context of the entirety of this Supplemental IFA Letter and the Supplemental Letter.

3. REVISED OFFER AND OPTIONS PROPOSAL

On 2 November 2022, EYCF announced on behalf of the Offeror, the Revised Offer and Options Proposal. The key terms of the Revised Final Offer Consideration and the Revised Final Option Price are set out below.

3.1 Revised Final Offer Consideration

The Revised Final Offer Consideration for each Offer Share is as follows:

EITHER

(a) the Revised Final Cash Consideration of S$0.40

OR

(b) in lieu of the Revised Final Cash Consideration, one (1) new ordinary share in the capital of the Offeror ("**New Offeror Share**") (the "**Share Consideration**"). The issue price for each New Offeror Share shall be equivalent to the Revised Final Cash Consideration.

EYCF wishes to announce, for and on behalf of the Offeror, that 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.

Shareholders who have earlier validly accepted the Offer are entitled to the Revised Final Offer Consideration, 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 Shareholders who have already validly accepted the Offer.

As stated in the Offer Revision Notification, save as disclosed in the Offer Revision Announcement and the Offer Revision Notification, all other terms and conditions of the Offer as set out in the Offer Document remain unchanged.

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 Revised Final Option Price for each Company Option will be the nominal amount of S$0.001.

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.

As stated in the Options Proposal Revision Notification, save as disclosed in the Offer Revision Announcement and Options Proposal Revision Notification, all the other terms and conditions of the Options Proposal as set out in the Options Proposal Letter remain unchanged.

3.3 Further Extension of Closing Date

As stated in the Offer Revision Announcement and pursuant to Rule 20.1 of the Code, the Offer must be kept open for acceptances for a period of at least 14 days from the date of posting of the written notification of revision to Shareholders. Accordingly, as stated in paragraph 6 of the Offer Revision Notification and the Options Proposal Revision Notification respectively, 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).

Shareholders and 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 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.

4. INFORMATION ON THE OFFEROR

The Offeror is a special purpose vehicle incorporated in Singapore on 8 August 2022 for the purpose of undertaking the Offer. Its principal activities are those of an investment holding company. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Offer.

As at the latest practicable date defined in the Offer Document ("**Offer Document LPD**"), the Offeror has an issued and paid-up share capital of S$3.00, consisting of 3 ordinary shares (the "**Offeror Shares**"), which are held by the shareholders as follows:

Shareholder of the Offeror	Number of shares in the Offeror	Proportion of the total number of issued shares in the Offeror
Mr. Tony Tan Choon Keat ("**TTCK**") *(Non-Executive Chairman of the Company)*	1	33.33%
Mr. Beng Teck Liang ("**BTL**") *(Executive Director and Chief Executive Officer of the Company*)	1	33.33%
Mr. Wong Seng Weng ("**WSW**") *(Executive Director of the Company*)	1	33.33%
Total	**3**	**100.00%**

The board of directors of the Offeror comprises TTCK and BTL.

Please refer to Appendix I to the Offer Document for additional information on the Offeror.

5. INFORMATION ON THE COMPANY

Based on publicly available information, the Company was incorporated in Singapore on 10 March 2005 and was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 23 July 2009. The principal activities of the Company lie in the provision of multi-disciplinary specialist healthcare services across the fields of ophthalmology, aesthetic medicine, sports medicine and oncology.

As at the Offer Document LPD, based on publicly available information:

(a) the Company has an issued and paid-up share capital of S$101,979,219.02 comprising 486,382,109 Shares (excluding 232,729 Shares held by the Company as treasury shares);

(b) the Company has 7,655,000 outstanding Company Options and there are no outstanding Company Awards. Save for the 7,655,000 outstanding Company Options, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities being offered for or which carry voting rights affecting the Shares; and

(c) the directors of the Company are:

(i) Mr. Tony Tan Choon Keat (Non-Executive Chairman);
(ii) Dr. Beng Teck Liang (Executive Director and Chief Executive Officer);
(iii) Dr. Wong Seng Weng (Executive Director);
(iv) Mr. Ho Lon Gee (Lead Independent Director);
(v) Mr. Jimmy Yim Wing Kuen (Independent Director); and
(vi) Ms. Stefanie Yuen Thio (Independent Director).

Please refer to Appendix III to the Offer Document for additional information on the Company.

6. IRREVOCABLE UNDERTAKINGS

6.1 Details of Promoters Irrevocable Undertakings

As at the Offer Document LPD, TTCK, BTL and WSW (the "**Undertaking Promoters**") have an aggregate interest in 80,203,255 Shares, representing approximately 16.49% of the total number of issued Shares in the following proportion:

Undertaking Promoter	Number of Shares	Proportion of the total number of issued Shares[1][2]
TTCK	35,708,073[3]	7.34%
BTL	33,626,329[4]	6.91%
WSW	10,868,853	2.23%
Total	**80,203,255**	**16.49%**

Notes:

(1) Based on the Company's issued and paid-up capital of 486,382,109 Shares (excluding 232,729 treasury shares) as at the Latest Practicable Date.

(2) Any discrepancies between the listed percentages and the totals shown thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

(3) Excluding TTCK's deemed interest in 600,000 Shares held by his immediate family member, Joyce Ooi Eu Huey Mrs Joyce Tan (who has provided a Relevant Shareholder Irrevocable Undertaking). TTCK does not have any outstanding Company Options.

(4) In addition to 33,626,329 Shares, BTL holds 3,700,000 outstanding Company Options.

As at the Offer Document LPD, each of the Undertaking Promoter has executed an irrevocable undertaking (the "**Promoters Irrevocable Undertaking**") in favour of the Offeror, pursuant to which each of them has undertaken and/or agreed to:

(a) accept the Offer in respect of all Shares held by him;

(b) elect to receive only the Share Consideration (and not the Cash Consideration), provided that as each Undertaking Promoter has already subscribed for one (1) share in the Offeror at a share price of S$1.00 as at the date of incorporation of the Offeror, each Promoter agrees (i) to receive one (1) less New Offeror Share than would have otherwise been received in respect of the Share Consideration; and (ii) that the aggregate value of such New Offeror Shares received by each Promoter will be such dollar amount derived by multiplying the Cash Consideration and the number of Shares tendered in the Offer, less the initial subscription amount of S$1.00;

(c) waive, or procure the waiver of, his rights to receive any cash settlement or payment for his acceptance of the Offer within the time period prescribed under Rule 30 of the Code;

(d) accept the Offer in respect of any other Shares or securities in the capital of the Company that he may acquire, or which may be allocated and issued to him, on or after the date of the Promoter Irrevocable Undertaking; and

(e) (in respect of BTL only) to not exercise all or any of his Company Options held by him and to accept the Options Proposal in respect of all the Company Options held by him.

6.2 Details of Relevant Shareholder Irrevocable Undertakings

As at the Offer Document LPD, and in addition to the Promoter Irrevocable Undertakings, each of the Shareholder named in Section 6.2 of the Offer Document (collectively, the "**Relevant Undertaking Shareholders**") have also executed irrevocable undertakings (the "**Relevant Shareholder Irrevocable Undertakings**") in favour of the Offeror, pursuant to which each of them has undertaken to, (a) accept the Offer in respect of all Shares held by it/him/her (as the case may be); (b) elect to receive only the Share Consideration (and not the Cash Consideration); and (c) accept the Offer in respect of any other Shares or securities in the capital of the Company that each of them may acquire, or which may be allocated and issued to it/him/her (as the case may be), on or after the date of the Relevant Shareholder Irrevocable Undertakings.

Details of the Relevant Undertaking Shareholders' shareholding in the Company are set out in Section 6.2 of the Offer Document.

As at the Offer Document LPD, the Undertaking Promoters and the Relevant Undertaking Shareholders collectively hold an aggregate interest in 251,302,040 Shares, representing approximately 51.67% of the total number of issued Shares, and have executed the aforementioned irrevocable undertakings in favour of the Offeror to accept the Offer and elect to receive the Share Consideration as the Offer Consideration for all their Offer Shares.

6.3 Termination of Irrevocable Undertakings

Each Promoter Irrevocable Undertaking and Relevant Shareholder Irrevocable Undertaking shall terminate, lapse and cease to have any effect upon the Offer lapsing or being withdrawn or failing to become unconditional in all respects for whatever reason other than as a result of a breach by the relevant undertaking Shareholder of any of his/her/its obligations under the relevant Promoter Irrevocable Undertaking or Relevant Shareholder Irrevocable Undertaking (as the case may be). In addition, in respect of CHA Healthcare Singapore Pte. Ltd. only, its Relevant Shareholder Irrevocable Undertaking shall not extend beyond six (6) months from the date of execution.

6.4 No Other Irrevocable Undertakings

Save for the Promoters Irrevocable Undertakings and the Relevant Shareholder Irrevocable Undertakings, as at the Offer Document LPD, neither the Offeror nor any persons acting in concert with the Offeror has received any irrevocable undertaking from any other person to accept or reject the Offer.

6.5 Resultant Shareholdings of the Offeror

Following the close of the Offer, and for illustrative purposes only, assuming that (i) all Shareholders (save for the Undertaking Promoters and the Relevant Undertaking Shareholders) accept the Offer and elect to receive the Revised Final Cash Consideration in respect of all their Offer Shares; and (ii) the Undertaking Promoters and the Relevant Undertaking Shareholders accept the Offer and elect to receive the Share Consideration in respect of all their Offer Shares in accordance with the terms of the Promoters Irrevocable Undertaking or Relevant Shareholder Irrevocable Undertaking (as the case may be), the resultant shareholding in the Offeror will be as follows:

Shareholder of the Offeror	**Number of shares in the Offeror**	**Proportion of the total number of issued shares in the Offeror(1)**
TTCK	36,308,073(2)	14.45%
BTL	33,626,329	13.38%
WSW	10,868,853	4.33%
CHA Healthcare Singapore	116,000,000	46.16%
Silver Mines Global Limited	26,949,348	10.72%
Red Ancient Global Ltd	377,000	0.15%
Cheng Yong Liang	10,023,121(3)	3.99%
Richard Yong Chin-Wee	10,703,952(4)	4.26%
Low Chai Ling (Liu Jialin)	5,190,312	2.07%
Chua Han Boon Kenneth	1,255,052	0.50%
Total	**251,302,040**	**100.00%**

Notes:

(1) Any discrepancies between the listed percentages and the totals shown thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them. Numeric figures are rounded to the nearest two (2) decimal places.

(2) This includes the 600,000 New Offeror Shares to be received by TTCK's immediate family member, Joyce Ooi Eu Huey Mrs Joyce Tan (who has provided a Relevant Shareholder Irrevocable Undertaking). TTCK does not have any outstanding Company Options.

(3) Assuming Vertical Assets Holdings Inc nominates Mr. Cheng Yong Liang as the recipient of the Share Consideration.

(4) Assuming MCC Management Ltd nominates Mr. Richard Yong Chin-Wee as the recipient of the Share Consideration.

The Offeror reserves its rights to convert to a public company in accordance with Section 31 of the Companies Act 1967 of Singapore (the "**Companies Act**"), including in the event that the number of Shareholders electing the Share Consideration results in the number of shareholders in the Offeror exceeding 50.

7. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

7.1 Rationale for the Offer

Please refer to Section 7 of the Offer Document for the full text of the rationale for the Offer, as articulated by the Offeror. A summary is set out below.

(i) Intention to delist and privatise the Company;

(ii) Uncertain economic environment in the short to medium term;

(iii) Opportunity for shareholders to realise their investment in the Shares at a premium to market price;

(iv) Low trading liquidity of Shares;

(v) Clear and distinct choice between Cash Consideration and Share Consideration for Shareholders;

(vi) No need for access to capital markets;

(vii) Compliance costs relating to listing status; and

(viii) Greater management flexibility.

As stated in the Offer Revision Notification, 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.

7.2 Offeror's intentions in relation to the Company

The Offeror does not intend to maintain the listing status of the Company. The Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take any step for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of total Shares (excluding any Shares held in treasury) are held in public hands. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the

SGX-ST pursuant to Rules 1307 and 1308 of the Catalist Rules. Please refer to Section 9.1 (Listing Status) and Section 9.2 (Compulsory Acquisition) of the Offer Document for details on the listing status requirement and the right of compulsory acquisition.

The Offeror currently does not intend to (i) make major changes to the business of the Company or its management team, (ii) re-deploy the fixed assets of the Company or (iii) discontinue the employment of the employees of the Company, other than in the normal course of business. Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which the Offeror may regard to be in the interest of the Company and its subsidiaries. The Offeror will review and carefully examine the business opportunities afforded to the Company with the intention to grow and develop the Company into a pan-Asian healthcare player. Such opportunities may involve entering into joint ventures, collaborations, investments and acquisitions or may involve the restructuring or reorganisation of the Company or a combination thereof.

8. EVALUATION OF THE FINANCIAL TERMS OF THE REVISED OFFER AND OPTIONS PROPOSAL

In our evaluation of the financial terms of the Revised Offer and Options Proposal, we have given due consideration to, *inter alia*, the following key factors:

(i) Historical Share price performance and trading liquidity of the Shares;

(ii) Historical financial performance and position of the Group;

(iii) The Group's Net Asset Value ("**NAV**") and Net Tangible Asset Value ("**NTA**");

(iv) Comparison with selected comparable companies listed on the SGX-ST;

(v) Comparison with recent privatisation transactions of comparable companies listed on the SGX-ST;

(vi) Comparison with recent successful privatisation transactions of companies listed on the SGX-ST;

(vii) Estimated range of values of the Shares;

(viii) The Revised Final Option Price;

(ix) Share buy-back transactions of the Company;

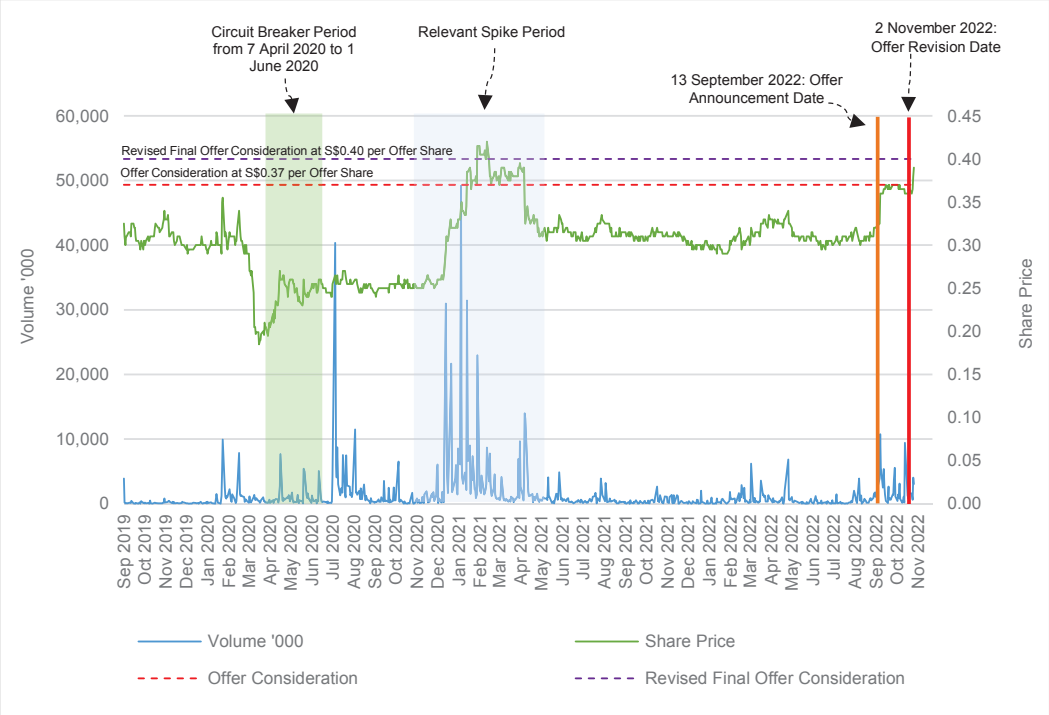
(x) Dividend track record of the Company; and

(xi) Other relevant considerations.

8.1 Historical Share price performance and trading liquidity of the Shares

Having considered the impact of the COVID-19 pandemic on the global economy since early 2020 and the circuit breaker period in Singapore which first commenced on 7 April 2020 ("**Circuit Breaker Period**"), which would have had an effect on the historical Share price performance and trading liquidity of the Shares, we set out below a chart showing the daily closing prices and trading volume of the Shares for the 3-year period from 9 September 2019 to 8 September 2022 (being the last trading day where Shares were traded on SGX-ST immediately preceding the trading halt prior to the Offer Announcement Date on 13 September 2022 ("**Last Trading Day**")), and up to the Latest Practicable Date.

Daily closing prices and trading volume of the Shares from 9 September 2019 to the Latest Practicable Date (the "Reference Period")



Source: Bloomberg L.P.

From the chart above, we note the following:

(a) From 9 September 2019 to the Last Trading Day, the daily closing prices of the Shares were in a range of S$0.185 to S$0.420. The Revised Final Offer Consideration represents a premium of 116.2% to the low of S$0.185 and a discount of 4.8% to the high of S$0.420;

(b) From 7 April 2020 (being the commencement of the Circuit Breaker Period) to the Last Trading Day, the daily closing prices of the Shares were in a range of S$0.205 to S$0.420. The Revised Final Offer Consideration represents a premium of 95.1% to the low of S$0.205 and a discount of 4.8% to the high of S$0.420;

(c) The Shares traded above the Revised Final Offer Consideration over a period of 13 days during the period from 18 December 2020 to 15 April 2021 (the "**Relevant Spike Period**"), with the highest closing price of the Shares during the Relevant Spike Period being S$0.420 on 18 February 2021. On 18 December 2020, the Company had announced that it was in preliminary discussions with a third party regarding a possible transaction involving the Shares, and subsequently on 15 April 2021, the Company announced that the Company and the third party decided not to proceed with further exploration of the said transaction. We further note that the daily closing prices of the Shares generally trended downwards from 15 April 2021 to the Offer Announcement Date;

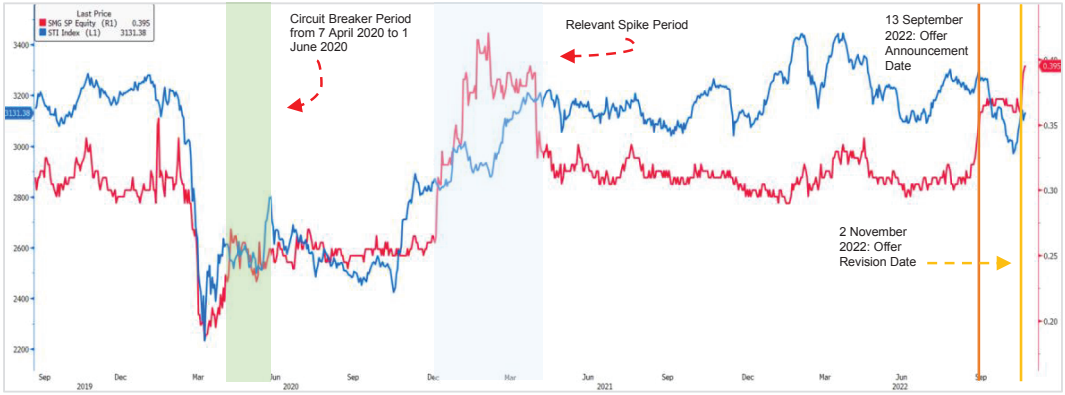
(d) Share price closed at S$0.325 on the Last Trading Day;

(e) The Shares traded below the Revised Final Offer Consideration from 14 September 2022 (the first trading day after the Offer Announcement Date) up to the Offer Revision Date, and the daily closing prices of the Shares in the aforementioned period ranged from S$0.360 to S$0.380;

(f) From 3 November 2022 (the first trading day after the Offer Revision Date) to the Latest Practicable Date, the daily closing prices of the Shares were S$0.395 for each trading day, which is close to the Revised Final Offer Consideration. The market price of the Shares after the Offer Revision Date appeared to be supported by the Revised Final Offer Consideration; and

(g) As at the Latest Practicable Date, the closing price of the Shares was S$0.395.

In addition, to assess the market price performance of the Shares *vis-à-vis* the general price performance in the Singapore equity market, we have compared the movement of the prices of the Shares against the Straits Times Index ("**STI**") from 9 September 2019 up to the Last Trading Day, and after the Offer Announcement Date and up to the Latest Practicable Date, as illustrated below. Save for the Relevant Spike Period and the period from 29 September 2022 (being the first trading day after the Offer Announcement Date) up to the Latest Practicable Date, we note that the Shares have largely underperformed the STI over the Reference Period.



Source: Bloomberg L.P.

In addition, we have set out below additional information on the volume-weighted average price ("**VWAP**"), trading liquidity, and other trading statistics of the Shares during the Reference Period:

Reference Period	Highest Traded Price (S$)	Lowest Traded Price (S$)	VWAP [1] (S$)	Premium of Revised Final Offer Consideration over VWAP (%)	No. of traded days[2]	Average daily trading volume[3]	Average daily trading volume as a percentage of free float[4] (%)
Prior to and including the Last Trading Day							
From 9 September 2019 to the Last Trading Day	0.425	0.179	0.318	25.8	749	1,274,029	0.489
Last 12 months	0.355	0.285	0.314	27.5	251	534,963	0.205
Last 6 months	0.355	0.295	0.318	25.8	125	615,501	0.236
Last 3 months	0.325	0.295	0.310	28.9	64	530,483	0.203
Last 1 month	0.325	0.300	0.312	28.1	22	1,003,709	0.385
As at the Last Trading Day	0.325	0.320	0.320	24.9	1	3,875,500	1.487
After the Offer Announcement Date and up to the Latest Practicable Date							
From 14 September 2022 (being the first traded day after the Offer	0.385	0.355	0.364	9.9	35	2,304,177	0.884

Reference Period	Highest Traded Price (S$)	Lowest Traded Price (S$)	VWAP [(1)] (S$)	Premium of Revised Final Offer Consideration over VWAP (%)	No. of traded days[(2)]	Average daily trading volume[(3)]	Average daily trading volume as a percentage of free float[(4)] (%)
Announcement Date) up to the Offer Revision Date							
From 3 November 2022 (being the first traded day after the Offer Revision Date) up to the Latest Practicable Date	0.395	0.390	0.391	2.4	2	1,743,000	0.669
As at the Latest Practicable Date	0.395	0.390	0.392	2.1	1	423,400	0.162

Source: Bloomberg L.P.

Notes:

(1) The VWAP for the respective periods are calculated based on the VWAP turnover divided by the VWAP volume, as extracted from Bloomberg L.P. VWAP turnover is computed based on the aggregate daily turnover value of the Shares and VWAP volume is computed based on the aggregate daily trading volume of the Shares for the respective periods.

(2) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during the relevant periods.

(3) The average daily trading volume of the Shares was computed based on the total volume of the Shares traded on SGX-ST during the relevant periods, divided by the number of days when the SGX-ST was open for trading during the relevant periods.

(4) Free float refers to the Shares other than those held by the Directors, Substantial Shareholders and their respective associates (as defined in the Listing Manual). For the purpose of computing the average daily trading volume as a percentage of free float, we have used a free float of 260,692,206 Shares or 53.6% of the issued Shares of the Company as at the Offer Announcement Date ("**Free Float**").

(5) Pursuant to a share buy-back mandate adopted by the Company, the Company acquired an aggregate of 139,000 Shares at between S$0.300 and S$0.305 per Share on 7 October 2019 and 445,000 Shares at between S$0.182 and S$0.195 per Share on 19 March 2020 during the Reference Period.

From the table above, we note the following:

Periods prior to and up to the Last Trading Day

(a) the Revised Final Offer Consideration represents a premium of approximately 25.8% over the VWAP of the Shares from 9 September 2019 up to the Last Trading Day;

(b) the Revised Final Offer Consideration represents premia of approximately 27.5%, 25.8%, 28.9% and 28.1% over the respective VWAPs of the Shares for the last 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day;

(c) the Revised Final Offer Consideration represents a premium of approximately 24.9% over the VWAP of the Shares on the Last Trading Day;

(d) the Revised Final Offer Consideration is higher than the highest traded prices during the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day;

(e) the Shares were not actively traded during the Reference Period. The average daily trading volume of the Shares for the period from 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day were in the range of 0.203% to 0.489% of the Free Float respectively; and

(f) as at 8 September 2022, being the Last Trading Day, the average daily trading volume of the Shares represented 1.487% of the Free Float.

Periods after the Offer Announcement Date and up to the Latest Practicable Date

(a) the Revised Final Offer Consideration represents a premium of approximately 9.9% over the VWAP of the Shares for the period from 14 September 2022 (being the first traded day after the Offer Announcement Date) up to the Offer Revision Date. The daily prices of the Shares during this period did not close above the Revised Final Offer Consideration;

(b) the Revised Final Offer Consideration represents a premium of approximately 2.4% over the VWAP of the Shares for the period from 3 November 2022 (being the first traded day after the Offer Revision Date) up to the Latest Practicable Date. The daily prices of the Shares during this period did not close above the Revised Final Offer Consideration;

(c) the Revised Final Offer Consideration is at a premium of approximately 2.1% over the VWAP of the Shares as at the Latest Practicable Date and is at a premium of approximately 1.3% over the closing price of the Shares as at the Latest Practicable Date;

(d) the average daily traded volume of the Shares represents 0.884% of the Free Float for the period from 14 September 2022, being the first traded day after the Offer Announcement Date and up to the Offer Revision Date;

(e) the average daily traded volume of the Shares represents 0.669% of the Free Float for the period from 3 November 2022 (being the first traded day after the Offer Revision Date) up to the Latest Practicable Date; and

(f) the average daily traded volume of the Shares represents 0.162% of the Free Float as at the Latest Practicable Date.

Based on the above observations, we note that the trading activity and the closing price of the Shares as at the Latest Practicable Date is likely supported by the Revised Final Offer Consideration. We wish to highlight that the above analysis on the historical trading performance of the Shares serves only as an illustrative guide. **There is no assurance that the market price and trading volume of the Shares will be maintained at the level prevailing as at the Latest Practicable Date after the close or lapse of the Revised Offer and Options Proposal. Shareholders are advised that the past trading performance of the Shares should not, in any way, be relied upon as an indication or promise of its future trading performance.**

8.2 Historical financial performance and position of the Group

A summary of the consolidated statements of comprehensive income, consolidated statements of financial position and consolidated statements of cash flows of the Group for financial years ended 31 December 2019 ("**FY2019**"), 31 December 2020 ("**FY2020**") and 31 December 2021 ("**FY2021**"), and the six-month periods ended 30 June 2021 ("**1H2021**") and 30 June 2022 ("**1H2022**") (collectively, the "**Period Under Review**") is set out below. The following summary financial information should be read in conjunction with the Company's annual reports for FY2019, FY2020 and FY2021, and the Company's financial results announcements for 1H2022, including the notes and commentaries thereto.

8.2.1 Historical Financial Performance of the Group

We set out below a summary of the key financial results of the Group for the Period Under Review:

(S$'000)	FY2019 (Audited)	FY2020 (Audited)	FY2021 (Audited)	1H2021 (Unaudited)	1H2022 (Unaudited)
Revenue	94,672	87,340	100,840	49,682	54,099
Gross profit / (loss)	43,241	38,040	44,260	22,277	22,515
Gross profit margin	*45.67%*	*43.55%*	*43.89%*	*44.84%*	*41.62%*
Profit for the year	13,635	9,097	15,716	7,727	6,776
Profit attributable to owners of the Company	13,661	8,730	15,608	7,190	6,266

Source: The Company's annual reports for FY2019, FY2020 and FY2021 and the Company's financial results announcement for 1H2022 released on SGXNET.

We note the following with respect to the historical financial performance of the Group:

FY2020 vs FY2019

- The Group's total revenue declined 7.7% year-on-year ("**yoy**") to S$87.3 million due to falling patient loads as a result of the deferment of non-essential medical services and temporary clinic closures during the Circuit Breaker Period implemented in Singapore from April to June 2020 to curb the COVID-19 pandemic. The decrease in revenue was also attributed to a significant decline in medical tourism over the period due to travel restrictions stemming from the pandemic.

- In line with the decline in revenue, gross profit decreased 12.0% yoy to S$38.0 million.

- Despite the challenging market conditions and a severe curb of medical tourists which account for 15.0% to 20.0% of the Group's revenue, the Group reported a net profit attributable to owners of the Company of S$8.7 million for FY2020, representing a 36.1% yoy decline.

FY2021 vs FY2020

- The Group's total revenue increased 15.5% yoy to S$100.8 million for FY2021. In comparison to FY2019's pre-COVID-19 financial results, the Group reported a 6.5% increase in total revenue, as the Group's organic growth initiatives over the years came to fruition. The growth in revenue was attributed to rising demand across the Group's Health and Diagnostic and Aesthetics segments along with organic growth at its existing clinics in comparison to FY2020 when operations were significantly curtailed during the Circuit Breaker Period.

- Distribution and selling expenses increased by 4.1% from S$3.4 million to S$3.5 million in FY2021, in line with increase in revenue and partially offset by lower administrative fees paid to external administrators due to the decline in medical tourism resulting from COVID-19.

- The Group reported a 78.8% yoy increase in net profit attributable to owners of the Company to S$15.6 million for FY2021. The increase in net profit was mainly due to the increase in revenue and further bolstered by S$1.5 million in other gains recognised by the Group on its income statement, which were attributable to the remeasurement of previously held equity in the Group's joint venture, SMG International (Vietnam) Pte. Ltd. and was partially offset by impairment losses recognised from loans to an associated company, as a result of the cessation of the Group's aesthetics business in Vietnam.

1H2022 vs 1H2021

- The Group's total revenue increased 8.9% to S$54.1 million for 1H2022. The increase was mainly attributed to increases in capacity within the Group's diagnostic segment, new clinic openings, organic growth of existing clinics, and the return of medical tourism.

- The Group's share of results of joint ventures and associates increased from S$0.2 million for 1H2021 to S$0.8 million for 1H2022, on the back of strong momentum of the Group's overseas investments in medical services in Vietnam, Indonesia and Australia.

- Despite the increase of 1.1% in gross profit for 1H2022 to S$22.5 million, gross profit margin declined 3.2 percentage points to 41.6%. This decline was attributed to a change in sales mix within the Group's business segments, and changes to certain doctors' remuneration in accordance with their contractual agreements.

- Administrative expenses rose 16.0% to S$13.4 million in 1H2022, due to the opening of new clinics, salary adjustments in line with market adjustments across the healthcare industry, rising recruitment costs and the absence of wage credits which amounted to S$0.5 million in 1H2021 stemming from the government's Job Support Scheme during the pandemic.

- As a result of the above, notwithstanding higher revenue, the Group reported a 12.9% decline in net profit attributable to owners of the Company from S$7.2 million for 1H2021 to S$6.3 million for 1H2022.

8.2.2 Historical Financial Position of the Group

We set out below a summary of the financial position of the Group as at 31 December 2021 and 30 June 2022:

(S$'000)	**31 December 2021 (Audited)**	**30 June 2022 (Unaudited)**
Current assets	35,968	38,090
Non-current assets	165,869	166,418
Total assets	201,837	204,508
Current liabilities	26,471	26,941
Non-current liabilities	8,828	8,275
Total liabilities	35,299	35,216
Net assets	166,538	169,292
Equity attributable to owners of the Company	167,949	170,368
Non-controlling interests	(1,411)	(1,076)
Total equity	**166,538**	**169,292**
NAV attributable to owners of the Company (excluding non-controlling interests)	167,949	170,368
Number of issues Shares (excluding treasury shares)	486,382,109	486,382,109
NAV per Share (in S$)	0.35	0.35

Source: The Company's financial results announcement for 1H2022 released on SGXNET.

As at 30 June 2022, the Group recorded total assets of S$204.5 million comprising non-current assets amounting to S$166.4 million (81.4% of total assets) and current assets amounting to S$38.1 million (18.7% of total assets).

Current assets as at 30 June 2022 comprised mainly (i) inventories of S$2.2 million, representing 1.1% of total assets; (ii) trade and other receivables of S$7.3 million (3.6% of total assets); (iii) prepayments of S$1.4 million (representing 0.7% of total assets); and (iv) cash and bank balances of S$27.2 million (13.3% of total assets).

Non-current assets as at 30 June 2022 comprised mainly (i) property, plant and equipment of S$8.8 million (4.3% of total assets); (ii) intangible assets of S$123.8 million (60.5% of total assets); (iii) right-of-use assets ("**ROUA**") of S$9.7 million (4.7% of total assets); (iv) investment in joint ventures of S$3.1 million (1.5% of total assets); (v) investment in associates of S$18.4 million (9.0% of total assets); (vi) other receivables and deferred tax assets of S$2.5 million (1.2% of total assets).

Intangible assets

Intangible assets of the Group primarily relate to goodwill of S$123.4 million which arose through business combinations. Such goodwill was allocated to five cash-generating units ("**CGU**") as set out below:

(S$'000)	**As at 31 December 2021 (Audited)**	**As at 30 June 2022 (Unaudited)**
Carrying amount of goodwill allocated under each CGU:		
- Women's Health business	74,379	74,379
- Paediatrics business	32,316	32,316
- Diagnostic business	9,593	9,593
- Aesthetics business	6,813	6,813
- Vietnam business	312	312
Total goodwill	**123,413**	**123,413**

Source: The Company's financial results announcement for 1H2022 released on SGXNET.

As at 30 June 2022, the Group's total liabilities amounted to S$35.2 million, comprising non-current liabilities amounting to S$8.3 million (23.5% of total liabilities) and current liabilities amounting to S$26.9 million (76.5% of total liabilities).

Current liabilities as at 30 June 2022 comprised mainly (i) trade payables of S$2.4 million (6.7% of total liabilities); (ii) other payables and accruals of S$13.6 million (38.5% of total liabilities); (iii) contract liabilities of S$3.5 million (9.8% of total liabilities); (iv) lease liabilities of S$4.9 million (13.8% of total liabilities); (v) loans and borrowings of S$0.6 million (1.8% of total liabilities); and (v) income tax payable of S$2.1 million (5.8% of total liabilities).

Non-current liabilities as at 30 June 2022 comprised mainly (i) other payables and accruals of S$0.4 million (1.1% of total liabilities); (ii) lease liabilities of S$5.2 million (4.9% of total liabilities); (iii) loans and borrowings of S$2.0 million (5.6% of total liabilities); and (iv) deferred tax liabilities of S$0.7 million (1.8% of total liabilities).

The Group's core business operations continued to generate positive operating cash flows of S$10.2 million for 1H2022 and maintained a cash balance of S$27.2 million as at 30 June 2022. After accounting for total borrowings amounting to S$2.6 million, the Group's net cash position improved to S$24.6 million, up 6.9% from S$22.9 million in the preceding financial year, while its gearing ratio declined to 1.5%.

The Group recorded positive working capital of S$11.1 million, with a current ratio of 1.41 times, and a net assets position of S$169.3 million as at 30 June 2022.

8.2.3. Summary of historical statement of cash flows

(S$'000)	FY2021 (Audited)	1H2021 (Unaudited)	1H2022 (Unaudited)
Net cash flows from operating activities	24,467	9,800	10,169
Net cash flows (used in) investing activities	(9,668)	(3,194)	(1,502)
Net cash flows (used in) financing activities	(13,784)	(7,564)	(8,093)
Net increase/ (decrease) in cash and cash equivalents	995	(958)	574
Cash and cash equivalents at end of year/ period	26,618	24,665	27,192

Source: The Company's annual reports for FY2021, and the Company's financial results announcement for 1H2022 released on SGXNET.

Net cash flows generated from operating activities of S$10.2 million for 1H2022 arose mainly from the operating profit before working capital changes of S$12.2 million, offset by outflow of working capital of S$0.5 million, and interest and income tax payment of S$0.2 million and S$1.3 million respectively.

Net cash flows used in investing activities of S$1.5 million for 1H2022 were mainly attributed to the purchase of property, plant and equipment of S$1.0 million and investment in joint venture of S$0.5 million.

Net cash flows used in financing activities of S$8.1 million for 1H2022 were mainly attributed to dividends paid of S$4.4 million, dividends paid to non-controlling interests of S$0.2 million, and repayment of loans and borrowings and lease payments of S$1.1 million and S$2.5 million respectively.

The Group's cash and cash equivalents was S$27.2 million as at 30 June 2022, taking into account an increase in cash and cash equivalents of S$0.6 million since the beginning of 1H2022.

8.3 The Group's NAV and NTA

The NAV based approach in valuing a company or group is based on the aggregate value of all the assets of the company in their existing condition, after deducting the sum of all liabilities of the company and non-controlling interests. The NAV based approach shows the extent to which the value of each share is backed by both tangible and intangible assets and would be relevant in the event that the company or group decides to realise or convert the use of all or most of its assets. The NAV based approach in valuing a company may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets (including any intangible assets such as goodwill, trademarks and brand names) in an orderly manner over a reasonable period of time at the aggregate value of the assets used in the computation of the NAV, the proceeds of which are used to settle the liabilities, non-controlling interests and other obligations of the company or group with the balance to be distributed to its shareholders. However, the NAV based approach does not take into account the hypothetical sale of assets in a non-orderly manner or over a short period of time. It also does not illustrate the values of which assets may actually be realised or disposed of.

The NTA based approach is similar to the NAV based approach except that it does not take into account or consideration the presence of any intangible assets including but not limited to land use rights, goodwill, trademarks and brand names in providing an estimate of the value of a company or group assuming the hypothetical sale of all its assets.

8.3.1 NAV of the Group

Based on the latest published unaudited financial statements of the Group for 1H2022, the NAV attributable to Shareholders was S$170.4 million. The NAV per Share attributable to

Shareholders as at 30 June 2022 was approximately S$0.35, based on the issued share capital of 486,382,109 Shares as at the Latest Practicable Date.

The Revised Final Offer Consideration represents a premium of 14.3% to the NAV per Share as at 30 June 2022.

8.3.2 NTA of the Group

The following is based on the Group's unaudited statement of financial position as at 30 June 2020.

	(S$'000)
NAV attributable to Shareholders	170,368
Less:	
Intangible assets (comprising goodwill and computer equipment amortisation expenses)	123,810
Deferred tax assets	804
Add:	
Deferred tax liabilities	651
NTA of the Group	**46,405**

Intangible assets comprised mainly goodwill through business combinations of S$123.4 million or 72.9% of its NAV as at 30 June 2022. The aforesaid goodwill has been allocated to five cash generating units ("**CGUs**") for impairment testing. According to the Company's financial results for the period ended 30 June 2022, the calculations of these values allocated in use for the CGUs are most sensitive to the assumptions comprising growth rates and pre-tax discount rates. Any material changes in these assumptions, which are by nature, judgment from the Directors and Management of the Company, may affect the results of impairment testing.

The NTA per Share attributable to Shareholders as at 30 June 2022 was approximately S$0.095, based on the issued share capital of 486,382,109 Shares as at the Latest Practicable Date.

The Revised Final Offer Consideration represents a premium of approximately 321.1% to the NTA per Share as at 30 June 2022.

8.3.3 No further adjustments to the NAV and NTA of the Group

Save as disclosed in the unaudited financial statements of the Group as at 30 June 2022 and the Circular, the Directors and Management have confirmed to us that, to the best of their knowledge and belief, as at the Latest Practicable Date:

(i) there are no material events that have or will likely have a material impact to the financial position of the Group since 30 June 2022;

(ii) there are no other contingent liabilities, unrecorded earnings or expenses, or bad or doubtful debts or material events which are likely to have a material impact on the NAV or NTA of the Group as at the Latest Practicable Date;

(iii) there is no litigation, claim or proceeding pending or threatened against the Company and any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Group taken as a whole as at 30 June 2022;

(iv) save for the abovementioned intangible assets and deferred tax assets, there are no intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the SFRS(I) and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group as at 30 June 2022;

(v) there are no material acquisitions or disposals of assets by the Group between 30 June 2022 and the Latest Practicable Date, and the Group does not have any plans for such impending material acquisition or disposal of assets, conversion of the use of its material assets or material changes in the nature of the Group's business; and

(vi) there are no material changes to the accounting policies and methods of computation which may materially affect the NAV or NTA of the Group as at 30 June 2022.

Shareholders should note that the analysis above is solely for illustration purposes and the asset-based analysis of the Group only provides an estimate of the value of the Group based on a hypothetical scenario, wherein such scenario does not take into consideration factors including, but not limited to, liquidation costs, taxes, time value of money, prevailing market conditions, legal and professional fees, regulatory requirements, contractual limitations and obligations, and the availability of buyers, which may affect the value that can be realised by the Group.

8.4 Comparison with selected comparable companies listed on the SGX-ST

For the purpose of assessing the financial terms of the Offer, we have compared the valuation ratios of the Company implied by the Revised Final Offer Consideration with those of selected companies listed on the SGX-ST which can be considered as broadly comparable with the principal businesses of the Group, and with market capitalisation of not more than S$500 million ("**Comparable Companies**").

We have held discussions with the Management about the suitability and reasonableness of the selected Comparable Companies acting as a basis for comparison with the Group. Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the selected Comparable Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information.

We wish to highlight that the list of selected Comparable Companies is not exhaustive and it should be noted that there may not be any listed company that is directly comparable with the Group in terms of, *inter alia*, business activities, customer base, size and scale of operations, medical specialisations and segments, asset base, geographical markets of activities, track record, financial performance and position, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. Hence, any comparison made herein is necessarily limited and serves only as an illustrative guide, and any conclusion drawn from the comparison may not necessarily reflect the perceived or implied market valuation (as the case may be) of the Group as at the Latest Practicable Date.

A brief description of the selected Comparable Companies, as extracted from their respective company websites and/or annual reports is set out below:

Name of Comparable Company	Business Activities
Asian Healthcare Specialists Limited ("**Asian Healthcare**")	Asian Healthcare provides medical services. The company offers spinal injection therapies, cervical disc replacement, trauma care, and sports medicine services. Asian Healthcare serves patients in Singapore.
HC Surgical Specialists Ltd ("**HC Surgical**")	HC Surgical operates as a medical services group. The company focuses on the provision of endoscopic procedures, including gastroscopies and colonoscopies,

Name of Comparable Company	Business Activities
	and general surgery services with a focus on colorectal procedures. HC Surgical serves customers in Singapore.
Singapore Paincare Holdings Limited ("**Singapore Paincare**")	Singapore Paincare provides healthcare services. The company offers persisting post-surgical, neck and chronic back, cancer, and arthritis pain management, as well as neuroplasty, intrathecal pump implants, and endoscopic laser decompression services. Singapore Paincare serves patients in Singapore.
Healthway Medical Corporation Ltd ("**Healthway**")	Healthway provides outpatient medical services in Singapore. The company offers care in the areas of family medicine, specialists care, dental and oral care and medical aesthetics.
ISEC Healthcare Ltd ("**ISEC Healthcare**")	ISEC Healthcare provides eyecare (ophthalmology) services in Malaysia and Singapore. The company provides clinical care, research and educational services. ISEC Healthcare operates across Malaysia and Singapore.

Source: Annual Reports and Bloomberg L.P.

We have used the following valuation measures in our analysis:

Valuation Measure	Description
Price-to-earnings Ratio ("**PER**")	This ratio is computed by dividing the market capitalisation of a company by the trailing 12-month consolidated net profits attributable to owners of a company. The PER is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to among others, depreciation and amortisation.
Price-to-NAV ("**P/NAV**")	This ratio illustrates the market price of a company's shares relative to the NAV per share as recorded in its financial statements. The NAV is defined as total assets less total liabilities, and excludes, where applicable, minority or non-controlling interests. The NAV figure provides an estimate of the value of a company assuming the hypothetical sale of all its assets at its book value and repayment of its liabilities and obligations, with the balance available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets of the company. Comparisons of companies using NAV are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.

Valuation Measure	Description
Price-to-Net Tangible Asset ("**P/NTA**")	"NTA" or "net tangible asset" is defined to exclude, where applicable, minority interests, deferred tax assets and liabilities, deferred expenditure, land use rights and goodwill. P/NTA ratio illustrates the ratio of the market price of a company's share relative to its historical NTA per share as recorded in its financial statements. The NTA figure provides an estimate of the value of a company assuming the sale of all its tangible assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their NTAs are affected by differences in their respective accounting policies, in particular, their depreciation and asset valuation policies.
Enterprise value-to-earnings before interest, tax, depreciation and amortization expenses ("**EV/EBITDA**")	EV or enterprise value is the sum of the company's market capitalization, preferred equity, perpetual bonds, minority interests, short and long term debt (inclusive of finance leases) less its cash and cash equivalents. EBITDA refers to the historical consolidated earnings before interest, tax, depreciation and amortization, inclusive of the share of associates' and joint ventures' income. EBITDA can be used to analyse the profitability between companies as it eliminates the effects of financing and accounting policy decisions. The historical EV/EBITDA ratio illustrates the market value of a company's business relative to its historical consolidated pre-tax operating cash flow performance, and provides an indication of current market valuation relative to operating performance. Unlike the PER, the EV/EBITDA ratio does not take into account the capital structure of a company, its interest, taxation, depreciation and amortization expenses.

The following table sets out the valuation ratios of the Comparable Companies in comparison with the valuation ratios of the Group implied by the Revised Final Offer Consideration:

Comparable Company	Last Financial Year/ Period End	Market Capitalisation[1] (S$'million)	PER[2] (times)	P/NAV[3] (times)	P/NTA[4] (times)	EV/EBITDA[5] (times)
Asian Healthcare[6]	31 March 2022	108.2	20.4	1.9	5.0	11.3
HC Surgical Specialists	31 May 2022	56.6	8.9	5.1	8.1	5.3
Singapore Paincare	30 June 2022	37.7	9.7	1.4	2.3	4.7
Healthway Medical	30 June 2022	167.8	13.0	0.9	3.6	5.6

Comparable Company	Last Financial Year/ Period End	Market Capitalisation[1] (S$'million)	PER[2] (times)	P/NAV[3] (times)	P/NTA[4] (times)	EV/EBITDA[5] (times)
ISEC Healthcare	30 June 2022	165.9	15.2	2.1	7.7	10.5
Maximum			**20.4**	**5.1**	**8.1**	**11.3**
Average			**13.4**	**2.3**	**5.3**	**7.5**
Median			**13.0**	**1.9**	**5.0**	**5.6**
Minimum			**8.9**	**0.9**	**2.3**	**4.7**
Company (as implied by the Revised Final Offer Consideration)	**30 June 2022**	**194.6**	**13.2**	**1.1**	**4.2**	**6.7**

Source: Bloomberg L.P., annual reports and latest publicly available financial information on the Comparable Companies as at the Latest Practicable Date

Notes:

(1) The market capitalisation for the Comparable Companies was based on the outstanding number of shares and the closing price as at the Latest Practicable Date, or the last closing price if there were no trades on the Latest Practicable Date, as extracted from Bloomberg L.P. The market capitalisation for the Company was based on the Revised Final Offer Consideration and the total outstanding Shares as at the Latest Practicable Date.

(2) The PERs of the Comparable Companies were computed based on the latest published full year earnings or trailing 12-month earnings attributable to shareholders of the respective companies, available as at the Latest Practicable Date. The PER of the Company was computed on a trailing 12-month basis, based on the Company's unaudited consolidated financial results for 2H2021 and 1H2022.

(3) The P/NAV ratios of the Comparable Companies were computed based on the NAV values attributable to shareholders of the respective companies as set out in their latest published financial results available as at the Latest Practicable Date. The P/NAV ratio of the Company was computed based on NAV of the Company as at 30 June 2022.

(4) The P/NTA ratios of the Comparable Companies were computed based on the NTA values attributable to shareholders of the respective companies as set out in their latest published financial results available as at the Latest Practicable Date. The P/NTA ratio of the Company was computed based on NTA of the Company as at 30 June 2022.

(5) The EVs of the Comparable Companies were computed based on the latest published financial position of the respective companies available as at the Latest Practicable Date. The EBITDAs of the Comparable Companies were computed on a trailing 12-month basis, based on the respective published financial results available as at the Latest Practicable Date. The EV of the Company was based on the market capitalisation implied by the Revised Final Offer Consideration, and the Company's latest unaudited consolidated financial results as at 30 June 2022. The EBITDA of the Company was computed on a trailing 12-month basis, based on the Company's unaudited consolidated financial results for 2H2021 and 1H2022.

(6) On 6 October 2022, Asian Healthcare Specialists Limited was the subject of a voluntary conditional cash offer by DBS Bank Ltd. for and on behalf of Labrador Park Pte. Ltd. for all of the issued ordinary shares in the capital of the company other than those already owned, controlled or agreed to be acquired by the offeror. The PER as implied by the offer price of S$0.188 per share was 20.5 times.

Based on the above, we note the following:

(i) the PER of the Group as implied by the Revised Final Offer Consideration is 13.2 times, and is within the range observed for the Comparable Companies, higher than the median but marginally lower than the average PERs of the Comparable Companies;

(ii) the P/NAV ratio of the Group as implied by the Revised Final Offer Consideration is 1.1 times, and is within the range observed for the Comparable Companies, but lower than the average and median P/NAV ratios of the Comparable Companies;

(iii) the P/NTA ratio of the Group as implied by the Revised Final Offer Consideration is 4.2 times, and is within the range observed for the Comparable Companies, but lower than the average and median P/NTA ratios of the Comparable Companies; and

(iv) the EV/EBITDA ratio of the Group as implied by the Revised Final Offer Consideration is 6.7 times, and is within the range observed for the Comparable Companies, higher than the median but lower than the average EV/EBITDA ratios of the Comparable Companies.

8.5 Comparison with recent privatisation transactions of comparable companies listed on the SGX-ST

We have also compared the terms of the Revised Final Offer Consideration with selected announced and/or completed voluntary general offers of companies whose businesses are broadly comparable to the Group since 1 January 2022 ("**Selected Comparable Transactions**"). This analysis serves as a general indication of the relevant premium that offerors have paid for companies in the medical services industry, without having regard to their specific transaction rationale, offeror's intention, the commercial and financial merits or other considerations.

We wish to highlight that the selected comparable companies set out below ("Selected Comparable Companies") are not directly comparable to the Company in terms of market capitalisation, asset base, medical specialisations and segments, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, future prospects and other relevant criteria. In addition, the circumstances of transactions could be unique and are subject to the then prevailing economic, market and industry conditions when the Selected Comparable Transactions were executed. We also wish to highlight that the list of Selected Comparable Transactions is by no means exhaustive and has been compiled based on publicly available information.

Selected Comparable Company	Closing share price on last trading day prior to announcement of offer ("Last Share Price")	PER on last trading day prior to announcement of offer ("Last PER")[3]	EV/EBITDA on last trading day prior to announcement of offer ("Last EV/EBITDA")[4]	PER implied by offer/ revised offer ("Implied PER")	EV/EBITDA implied by offer/ revised offer ("Implied EV/EBITDA")
Asian Healthcare[1]	0.160	17.4	9.5	20.5	11.4
Singapore O&G Ltd[2]	0.255	14.6	7.3	16.8	8.9
Company	**0.325**	**10.8**	**5.3**	**13.2**	**6.7**

Offer premium analysis

Selected Comparable Company	Premium of offer price over Last Share Price ("Offer Price Premium") (%)	Premium of Implied PER over Last PER ("PER Premium") (%)	Premium of Implied EV/EBITDA over Last EV/EBITDA ("EV/EBITDA Premium") (%)
Asian Healthcare	17.5	17.5	19.8
Singapore O&G Ltd	15.7	15.7	21.6
Company	**23.1**	**23.1**	**25.4**

Source: Bloomberg L.P., Selected Comparable Companies' announcements, annual reports and latest publicly available financial information on the Selected Comparable Companies as at the Latest Practicable Date

Notes:

(1) On 6 October 2022, Asian Healthcare Specialists Limited was the subject of a voluntary conditional cash offer by DBS Bank Ltd. for and on behalf of Labrador Park Pte. Ltd. for all of the issued ordinary shares in the capital of the company other than those already owned, controlled or agreed to be acquired by the offeror. The offeror, its concert parties and/or the relevant undertaking shareholders held approximately 79.5% of the total shares of Asian Healthcare Specialists Limited at the date of the offer. On 10 November 2022, DBS Bank Ltd. had on behalf of Labrador Park Pte. Ltd. announced that the total valid acceptances received was approximately 90.63% of the total number of shares, and the offer was declared unconditional in all respects.

(2) On 7 March 2022, Singapore O&G Ltd was the subject of a voluntary unconditional cash offer by United Overseas Bank Limited for an on behalf of Newmedco Group Ltd. for all of the issued and paid-up ordinary shares in the capital of the company other than those shares held in treasury and those shares held, directly or indirectly, by the offeror as at the date of the offer. The offeror, its concert parties and/or the relevant undertaking shareholders held approximately 71.5% of the total shares of Singapore O&G Ltd at the date of the offer.

(3) The PERs of the Selected Comparable Companies were computed based on the latest published full year earnings or trailing 12-month earnings attributable to shareholders of the respective companies available at the material time of the Selected Comparable Transactions. The PER of the Company was computed on a trailing 12-month basis, based on the Company's unaudited consolidated financial results for 2H2021 and 1H2022.

(4) The EVs of the Selected Comparable Companies were computed based on the latest published financial position of the respective companies available at the material time of the Selected Comparable Transactions. The EBITDAs of the Selected Comparable Companies were computed on a trailing 12-month basis, based on the respective published financial results available at the material time of the Selected Comparable Transactions. The EV of the Company was based on the market capitalisation implied by the Revised Final Offer Consideration, and the Company's latest unaudited consolidated financial results as at 30 June 2022. The EBITDA of the Company was computed on a trailing 12-month basis, based on the Company's unaudited consolidated financial results for 2H2021 and 1H2022.

Based on the above, we note the following:

(i) the Group's Offer Price Premium of 23.1% is higher than the Offer Price Premium observed for the Selected Comparable Companies.

(ii) the Group's PER Premium of 23.1% is higher than the PER Premium observed for the Selected Comparable Companies.

(iii) the Group's EV/EBITDA Premium of 25.4% is higher than the EV/EBITDA Premium observed for the Selected Comparable Companies.

8.6 Comparison with recent successful privatisation transactions of companies listed on the SGX-ST

In assessing the reasonableness of the Revised Final Offer Consideration, we have compared the financial terms of the revised Offer with those of selected privatisation transactions involving companies listed on the SGX-ST (excluding real estate investment trusts and business trusts), that were announced and completed, since 1 January 2020 and up to the Latest Practicable Date (the "**Precedent Privatisation Transactions**").

This analysis serves as a general indication of the premium or discount of the respective offers, without having regard to their specific transaction rationale, offeror's intention, industry characteristics or other considerations.

We wish to highlight that the Precedent Privatisation Transactions may not be directly comparable to the Group due to differences in, *inter alia*, business activities, scale of operations, types of products, geographical markets, track record, future prospects, asset base, liquidity, market capitalisation, risk profile, customer base and other relevant criteria. In addition, economic conditions have changed and may differ over the aforementioned period, thus affecting, *inter alia*, the economic terms of the relevant offer considerations. Therefore, it should be noted that the comparison made herein serves only as an illustrative guide and the conclusions drawn from such comparisons may not necessarily reflect the perceived or implied market valuation for the Company. Shareholders should also note that the list of Precedent Privatisation Transactions is

not exhaustive and information relating to the Precedent Privatisation Transactions was compiled from publicly available information.

			Premium / (Discount) of offer consideration over/(to)[1]:					
Company Name	Type [2]	Announcement date[1]	Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	12-month VWAP (%)	Offer Price/NAV or Offer Price/RNAV[3] (times)
Asian Healthcare Specialists Limited	VGO	6 October 2022	17.5	18.3	21.3	22.3	19.5	2.07
Silkroad Nickel Ltd	VGO	29 August 2022	2.4	5.4	5.1	(5.5)	(3.2)	5.1
GYP Properties Limited	VGO	9 July 2022	34.2	37.9	33.3	28.2	30.7	0.69
Allied Technologies Limited[6]	VGO	17 June 2022	-	-	-	-	-	-
TTJ Holdings Limited	VGO	20 May 2022	36.1	33.6	28.8	28.0	29.4	0.63
Hwa Hong Corporation Limited	VGO	17 May 2022	37.9	36.1	32.0	22.0	24.6	0.79
Singapore O&G Ltd	VGO	7 March 2022	18.0	14.8	12.2	11.3	11.3	3.55
Shinvest Holding Ltd	VGO	16 February 2022	13.6	8.5	10.2	10.1	14.3	0.66
Koufu Group Limited	VGO	29 December 2021	15.8	14.5	13.6	15.1	15.3	0.53
Roxy-Pacific Holdings Limited	VGO	15 December 2021	19.8	21.0	23.5	30.3	37.0	0.64
United Global Limited	VGO	10 December 2021	12.5	16.7	16.7	16.2	14.1	1.06
Starburst Holdings Limited	VGO	10 November 2021	4.4	3.9	9.2	12.8	25.3	1.84
SingHaiyi Group Ltd	VGO	9 November 2021	8.3	7.1	10.7	18.3	20.0	0.60
Fragrance Group Limited	VGO	9 July 2021	16.9	19.0	19.0	20.0	21.1	0.70
Dutech Holdings Ltd	VGO	31 May 2021	74.0	73.3	74.7	73.3	61.1	1.06
Cheung Woh Technologies Limited	VGO	6 May 2021	90.0	90.0	92.6	109.6	141.5	1.10
Top Global Limited	VGO	30 April 2021	122.9	133.6	146.8	148.7	142.6	0.32
Sin Ghee Huat Corporation Ltd	VGO	29 April 2021	25.6	68.2	68.2	68.8	68.2	0.64
Singapore Press Holdings Limited	SOA	30 March 2021	57.3	71.5	80.3	94.8	199.2	1.05
Neo Group Limited	VGO	30 March 2021	19.9	17.9	14.5	15.4	30.9	1.22
Singapore Reinsurance Corporation Limited	VGO	19 March 2021	17.8	20.6	20.8	21.8	27.4	0.79
World Class Global Limited	SOA	12 March 2021	112.1	107.9	107.9	89.2	73.6	0.83

			Premium / (Discount) of offer consideration over/(to)[1]:					
Company Name	**Type [2]**	**Announcement date[1]**	**Last transacted price (%)**	**1-month VWAP (%)**	**3-month VWAP (%)**	**6-month VWAP (%)**	**12-month VWAP (%)**	**Offer Price/NAV or Offer Price/RNAV[3] (times)**
International Press Softcom Limited	VGO	28 January 2021	12.5	25.3	32.0	21.6	26.8	1.08
GL Limited	VGO	15 January 2021	42.9	46.6	52.4	45.8	25.1	0.66
CEI Limited	VGO	11 January 2021	16.2	18.1	20.5	23.6	26.1	1.89
Hi-P International Limited	VGO	18 December 2020	13.6	23.2	42.3	50.6	62.5	2.60
Sunvic Chemical Holdings Limited	VGO	20 November 2020	27.3	40.0	(3.40)	16.7	(12.5)	0.16
LCT Holdings Limited	VGO	16 September 2020	39.5	60.8	61.7	61.5	25.4	0.91
Sunningdale Tech Ltd.	SOA	9 September 2020	32.0	39.1	45.0	58.2	42.6	0.77
SK Jewellery Group Limited	VGO	2 September 2020	70.5	90.2	94.8	93.7	81.2	1.31
China Jishan Holdings Limited	VGO	20 August 2020	84.2	101.3	106.4	116.7	83.0	0.78
Teckwah Industrial Corporation Limited	VGO	12 August 2020	17.8	23.1	25.0	32.4	38.3	0.81
Luzhou Bio-chem Technology Limited	VGO	30 June 2020	100.0	87.5	130.8	150.0	150.0	n.m.[4]
Dynamic Colours Limited	VGO	1 June 2020	13.6	22.8	29.1	26.8	32.2	0.91
Perennial Real Estate Holdings Limited	VGO	12 June 2020	88.1	105.2	124.2	112.7	95.1	0.58
Elec & Eltek International Company Limited	VGO	3 April 2020	93.0	61.3	43.8	48.4	55.1	1.00
Breadtalk Group Ltd	VGO	24 February 2020	19.4	30.1	24.0	25.0	20.5	2.81
Maximum			122.9	133.6	146.8	150.0	199.2	5.1
Average			38.6	43.1	45.1	46.9	47.4	1.2
Median			19.9	30.1	29.1	28.0	29.4	0.8
Minimum			2.4	3.9	(3.4)	(5.5)	(12.5)	0.2
The Company – Implied by the Revised Final Offer Consideration	VGO	13 September 2022	23.1[5]	28.1	28.9	25.8	27.5	1.1

Source: SGX-ST announcements and circulars to shareholders in relation to the Precedent Privatisation Transactions

Notes:

(1) Date of announcement and computation of premium/(discount) of offer consideration over the last transacted price and VWAPs is based on the date of the first announcement, including holding announcement, of offers and are extracted from the relevant offer announcements and independent financial adviser's letter set out in the respective circulars of the companies.
(2) VGO – Voluntary General Offer; and SOA – Scheme of Arrangement.
(3) Based on the NAV per share or adjusted/RNAV per share, where available, as published in the independent financial adviser's letter set out in the respective circulars of the companies.
(4) 'n.m.' denotes not meaningful as Luzhou Bio-chem Technology Limited had net liability value position and net tangible liability position for its latest reporting period.
(5) Based on the last transacted price on 8 September 2022, which was the last transacted price of the Company before the offer announcement.
(6) As the trading of the shares of Allied Technologies Limited has been suspended for more than 3 years, no market premia/discounts were computed.

Based on the above, we note the following:

(a) the premium of 23.1% implied by the Revised Final Offer Consideration over the last transacted price of the Shares on the Last Trading Day is within the range of premia, above the median but lower than the average premia, of the Precedent Privatisation Transactions;

(b) the premia of 28.1%, 28.9%, 25.8% and 27.5% implied by the Revised Final Offer Consideration over the 1-month, 3-month, 6-month and 12-month VWAPs of the Shares prior to and including the Last Trading Day are within the range of premia/discounts, but lower than the average and median premia, of the Precedent Privatisation Transactions;

(c) the P/NAV, as implied by the Revised Final Offer Consideration, of 1.1 times is within the range, above the median but below the average Offer Price/NAV or Offer Price/RNAV ratios of the Precedent Privatisation Transactions; and

(d) the premia implied by the Revised Final Offer Consideration over the last transacted price of the Shares on the Last Trading Day, the 1-month, 3-month, 6-month, and 12-month VWAPs of the Shares prior to and including the Last Trading Day, are each higher than the relevant premia associated with the voluntary general offers for Singapore O&G Ltd and Asian Healthcare Specialists Limited, which are both comparable companies operating within the same industry as the Group. Singapore O&G Ltd has since been delisted from the SGX-ST, and as at 10 November 2022, the voluntary general offer for Asian Healthcare Specialists Limited was declared unconditional in all respects.

8.7 Estimated range of values of the Shares

We have evaluated various factors, and considered among others, the historical market prices of the Shares, earnings-based ratios such as PER and EV/EBITDA ratio, asset-based ratios such as P/NAV and P/NTA ratios of the Company. Given that the Group does not rely on its fixed assets to generate revenue, we have focused on the earnings-based approach for the purpose of estimating a range of values of the Shares.

Based on the average PER and EV/EBITDA statistics of the Comparable Companies as well as the offer premium analyses in connection with the Selected Comparable Transactions, we are of the view that the estimated range of values of the Shares is between S$0.39 and S$0.45 per Share. The Revised Final Offer Consideration is within the aforementioned estimated range of values of the Shares.

We wish to highlight that such historical earnings-based analysis is necessarily limited, considering the different profiles of the Comparable Companies in terms of market capitalisation, asset base, medical specialisations and segments, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, future prospects and other relevant criteria. Such value estimation is thus intended solely for illustration purposes, and has not taken into consideration other factors that may affect the value that can ultimately be realised

by the Group. These include, but are not limited to, liquidation value and costs, legal and other professional fees, taxes, time value of money, prevailing market conditions, regulatory requirements, contractual limitations and obligations, and the availability of buyers.

8.8 The Revised Final Option Price

The analysis in this Section is applicable to the Optionholders.

Following the revision of the Offer Consideration, the Revised Final Option Price, which is computed on a "see-through" basis, 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 Revised Final Option Price for each Company Option will be the nominal amount of S$0.001.

As the Option Price is calculated on a "see-through" basis, our evaluation of and the recommendation on the Offer as set out in this Supplemental IFA Letter is also relevant to Optionholders. Please refer to Section 9 of this Supplemental IFA Letter on our recommendation on the Revised Offer and Options Proposal.

8.9 Share buy-back transactions of the Company

During the Reference Period, the Company purchased, in aggregate, 584,000 Shares under its share buy-back mandate:

Date of share buy-back	Number of Shares	Price paid for each Share
7 October 2019	139,000	Between S$0.300 and S$0.305
19 March 2020	445,000	Between S$0.182 and S$0.195
Total	**584,000**	

Source: Bloomberg L.P. and Company's SGXNET announcements

The Revised Final Offer Consideration represents a premium of $0.095 or 31.1%, and a premium of S$0.205 or 105.1% to the highest price per Share paid by the Company, for the purchases of Shares under the share buy-back mandate adopted in 2019 and 2020 respectively.

8.10 Dividend track record of the Company

We set out below the information on the dividend per Share declared and paid by the Company from FY2019 to FY2021:

Dividends declared (S$)	FY2019	FY2020	FY2021[3]	1H2022[4]
Final dividend per Share	0.004	0.004	0.0065	N.A.
Average share price[1]	0.245	0.315	0.310	N.A.
Dividend yield[2]	1.6%	1.3%	2.1%	N.A.

Source: Bloomberg L.P. and Company's SGXNET announcements

Notes:

(1) Based on the daily closing prices of the Shares for the respective financial years
(2) Computed based on dividend per Share divided by the average Share price
(3) Higher final dividend per Share as compared to the previous 2 financial years due to the special dividend of S$0.0025 per share to reward shareholders for their continued support as noted in the Company's press release announcement dated 22 February 2022
(4) No dividend has been declared or recommended for the financial period ended 30 June 2022 in view of the funding needs of the Group for future business development and expansion as noted in the Company's unaudited interim condensed financial statements for 1H2022

We note that the Company had paid dividends of varying amounts to its Shareholders for the review period from FY2019 to FY2021. The average dividend per Share over the last 4 financial years was approximately S$0.005. This translates into a dividend yield of 1.3% based on the Revised Final Offer Consideration.

However, the Company's track record of paying dividends is relatively short, given that it was listed on the SGX-ST since 23 July 2009. Prior to FY2019, the Company did not pay any dividends, save for in respect of FY2010 and FY2009.

We wish to highlight that the above dividend track record analysis only serves as an illustrative guide and is not an indication of the Company's future dividend pay-out. **There is no assurance that the Company will continue the dividends pay-out in the future.**

8.11 Other relevant considerations

8.11.1 Outlook of the Group

We note that the following statement on the significant trends and competitive conditions of the industry in which the Group operates, as disclosed in the Company's announcement on the unaudited interim financial results for 1H2022 on 11 August 2022:

"Following a near two-year period of strict border controls and lockdowns, medical tourism has gradually begun to return since April 2022, positively contributing to the Group's topline and key specialist verticals such as imaging, oncology and cardiology. The Group expects the gradual resumption of medical tourism demand to continue in 2H2022 driving further growth in the Group. Despite these tailwinds from medical tourism, the healthcare industry has faced an ongoing labour crunch as resignations persist throughout the industry. The replacement cost from these resignations will affect the Group's cost structure and impact operations. The Group also foresees the need for salary adjustments for existing employees as inflationary pressures drive up salary expectations for both existing and new employees."

According to Section 7.2 of the Offer Document, the Offeror is of the view that *"the Company faces significant headwinds comprising a challenging macro-economic and operating environment driven by operational cost increases, shortage of skilled healthcare labour and wage increases in the midst of an inflationary environment and as a result of the ongoing COVID-19 pandemic."* Accordingly, the Offeror believes that *"the Company will face significant operating and financial constraints in executing its strategies and plans for growth. The Offeror also believes that while investment opportunities are still available to pursue organic and inorganic growth with synergistic partners, the environment in which such opportunities can be realised will become more challenging in the short to medium term."*

Based on the above, the Group expects revenue growth in the near future to be underpinned by the gradual return of medical tourism. At the same time, the Group expects margin compression in certain aspects of its business, due to the ongoing labour crunch within the healthcare industry and inflationary pressures, as well as the need to adjust salaries to retain existing employees, and attract new employees.

The Offeror is of the view that the Offer provides an attractive exit alternative for Shareholders who wish to exit their investment in an uncertain economic environment.

8.11.2 No alternative offer and the Irrevocable Undertakings

As at the Latest Practicable Date, apart from the Revised Final Offer Consideration proposed by the Offeror, there are no competing offers or an enhancement or revision of the Offer received.

The Undertaking Promoters and the Relevant Undertaking Shareholders, who collectively hold an aggregate interest in 251,302,040 Shares representing approximately 51.67% of the total number of issued Shares, have executed irrevocable undertakings in favour of the Offeror to accept the Offer and elect to receive the Share Consideration in respect of all their Offer Shares.

8.11.3 Minimum acceptance condition

The Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert with it (whether before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and persons acting in concert with it holding not less than 90% of total Shares (excluding any Shares held in treasury) as at the close of the Offer.

As at 6.00 p.m. (Singapore time) on 9 November 2022, based on information available to the Offeror, the Offeror has received valid acceptances amounting to 380,602,191 Shares, representing approximately 78.25% of the total number of issued Shares (excluding 232,729 Shares held in treasury) and approximately 77.04% of the maximum potential number of issued Shares. These acceptances included acceptances received from persons acting in concert with the Offeror, amounting in aggregate to 83,003,255 Shares, representing approximately 17.07% of the total number of issued Shares and approximately 16.80% of the maximum potential number of issued Shares.

8.11.4 Listing status and compulsory acquisition

The Offeror does not intend to maintain the listing status of the Company. The Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take any step for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of total Shares (excluding any Shares held in treasury) are held in public hands. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1308 of the Catalist Rules. Please refer to Section 9.1 (Listing Status) and Section 9.2 (Compulsory Acquisition) of the Offer Document for details on the listing status requirement and the right of compulsory acquisition.

8.11.5 Exit opportunity

The Offer presents Shareholders with a clean exit opportunity to realise their entire investment in the Company in cash, at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs.

8.11.6 Offeror's intentions

The Offeror will review and carefully examine the business opportunities afforded to the Company with the intention to grow and develop the Company into a pan-Asian healthcare player. Such opportunities may involve entering into joint ventures, collaborations, investments and acquisitions or may involve the restructuring or reorganisation of the Company or a combination thereof which can result in increased operating risk to the Company especially given the current global operating and economic environment.

There is no assurance that the aforementioned plans can be successfully implemented or when, if at all, positive returns can be generated if such plans are pursued. The Offeror has stated that the Offer provides the Offeror with the ability to immediately reduce its regulatory and compliance related costs and to execute its future plans for the Company without exposing public shareholders to the increased risks that may arise as a result.

8.11.7 Clear and distinct choice between Cash Consideration and Share Consideration for Shareholders

Shareholders have the opportunity to make a clear choice pursuant to the Offer between (a) an attractive cash exit alternative for Shareholders who do not wish to be subject to the risk of uncertainty in the direction and strategy of the Company following privatisation; or (b) the Share Consideration in the form of New Offeror Shares for Shareholders having long-term investment objectives who believe in the management team and the business model of the Company (albeit subject to investment, execution and other risks commensurate with a shareholding in the Offeror).

We wish to highlight that the New Offeror Shares are in an unlisted company, and Shareholders should carefully consider the risks and restrictions set out in Appendix I and Appendix II to the Offer Document.

8.11.8 No further revision of the Revised Offer and Options Proposal

As set out in the Offer Revision Notification, the Offeror has indicated that, it does not intend to revise the Revised Final Offer Consideration, save that the Offeror reserves the right to do so in a competitive situation. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently increase the Revised Final Offer Consideration and Revised Final Option Price, except in wholly exceptional circumstances or where the right to do so has been specifically reserved.

9. OUR OPINION

In arriving at our opinion in relation to the Revised Offer and Options Proposal, we have considered the views and representations made by the Directors and Management and reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the financial terms of the Revised Offer and Options Proposal. We have carefully considered factors which we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our Supplemental IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.

We wish to highlight some of the key factors we have considered, in reaching our opinion:

(i) the Revised Final Offer Consideration represents a premia of approximately 14.3% and 321.1% to the NAV per Share and NTA per Share respectively, as at 30 June 2022;

(ii) the Shares have traded below the Revised Final Offer Consideration during the Reference Period, save for a period of 13 days during the Relevant Spike Period during which the Company had announced that it was in preliminary discussions with a third party regarding a possible transaction involving the Shares. The daily closing prices of the Shares had trended downwards below the Revised Final Offer Consideration from 15 April 2021 (after the Company announced that the said transaction would not proceed further) to the Offer Announcement Date, and subsequently to the Latest Practicable Date;

(iii) trading liquidity of the Shares is low throughout the Reference Period;

(iv) the Revised Final Offer Consideration represents premia of approximately 27.5%, 25.8%, 28.9% and 28.1% over the respective VWAPs of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day;

(v) the Revised Final Offer Consideration represents a premium of approximately 1.3% to the closing price of the Shares as at the Latest Practicable Date. We noted that the trading activity and the closing price of the Shares as at the Latest Practicable Date is likely supported by the Revised Final Offer Consideration;

(vi) the Group's PER as implied by the Revised Final Offer Consideration is 13.2 times, and is within the range observed for the Comparable Companies, higher than the median but marginally lower than the average PERs of the Comparable Companies;

(vii) the Group's P/NAV and P/NTA ratios as implied by the Revised Final Offer Consideration are 1.1 times and 4.2 times respectively, and are within the range observed for the Comparable Companies, but lower than the average and median respective ratios of the Comparable Companies;

(viii) the EV/EBITDA ratio of the Group as implied by the Revised Final Offer Consideration is 6.7 times, and is within the range observed for the Comparable Companies, higher than the median but lower than the average EV/EBITDA ratios of the Comparable Companies;

(ix) the premia of 28.1%, 28.9%, 25.8% and 27.5% implied by the Revised Final Offer Consideration over the 1-month, 3-month, 6-month and 12-month VWAPs of the Shares prior to and including the Last Trading Day are within the range of premia/discounts, but lower than the average and median premia, of the Precedent Privatisation Transactions;

(x) the premium of 23.1% implied by the Revised Final Offer Consideration over the last transacted price of the Shares on the Last Trading Day is within the range of premia, above the median but lower than the average premia, of the Precedent Privatisation Transactions;

(xi) the premia implied by the Revised Final Offer Consideration over the last transacted price of the Shares on the Last Trading Day, the 1-month, 3-month, 6-month, and 12-month VWAPs of the Shares prior to and including the Last Trading Day, are each higher than the relevant premia associated with the voluntary general offers for Singapore O&G Ltd and Asian Healthcare Specialists Limited, which are both comparable companies operating within the same industry as the Group. Singapore O&G Ltd has since been delisted from the SGX-ST, and as at 10 November 2022, the voluntary general offer for Asian Healthcare Specialists Limited was declared unconditional in all respects;

(xii) the Group's Offer Price Premium of 23.1% is higher than the Offer Price Premium of the Selected Comparable Companies;

(xiii) the Group's PER Premium of 23.1% is higher than the PER Premium of the Selected Comparable Companies;

(xiv) the Group's EV/EBITDA Premium of 25.4% is higher than the EV/EBITDA Premium of the Selected Comparable Companies;

(xv) the Revised Final Offer Consideration is within the estimated range of values of the Shares set out in Section 8.7 of this Supplemental IFA Letter;

(xvi) the relatively short track record in paying dividends since 23 July 2009, being the year of listing on the SGX-ST;

(xvii) the outlook of the Group, in which the Group expects revenue growth, but at the same time margin compression, and significant operating and financial constraints in executing its strategies and plans for growth; and

(xviii) EYCF has announced, for and on behalf of the Offeror, that 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.

Having considered carefully the information available to us as at the Latest Practicable Date, and based on our analyses, we are of the opinion that the financial terms of the Revised Offer and Options Proposal are on balance, fair and reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders to **ACCEPT** the Offer (based on the Revised Final Offer Consideration).

In addition, Shareholders who wish to accept the Offer (based on the Revised Final Offer Consideration) may elect to receive the Revised Final Cash Consideration, or the Share Consideration if they have confidence in the Company's long-term prospects after considering the Offeror's views set out in Section 7.5 of the Offer Document and paragraph 5 of the Offer Revision Notification, and having regard to their own specific investment profiles and objectives. Nevertheless, we wish to highlight that Shareholders who elect to receive the Share Consideration should be mindful of the risks and restrictions associated with an investment as a minority shareholder of an unlisted company (including those set out in Appendix I and Appendix II to the Offer Document).

With regard to the Options Proposal and the Optionholders, as the Revised Final Option Price is calculated on a "see-through" basis, the consideration an Optionholder would receive from accepting the Options Proposal would be the same as if the Optionholders were to exercise the Options and accept the Offer (after considering the Revised Final Option Price of S$0.001 for each Company Option if the exercise price of a Company Option is equal to or more than the Revised Final Cash Consideration). Our analysis and conclusion with reference to the Revised Final Offer Consideration will therefore, be similarly relevant to the Optionholders. Accordingly, we advise the Independent Directors to recommend the Optionholders to **ACCEPT** the Options Proposal.

In arriving at our opinion, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder and Optionholder. As different Shareholders and Optionholders would have different investment profiles and objectives, we recommend that any Shareholder or Optionholders who may require specific advice in relation to his/her investment objectives or portfolio should consult his/her legal, financial, tax or other professional adviser immediately.

We wish to emphasise that the Directors have not provided us with any financial projections or forecasts in respect of the Company or the Group and we have, *inter alia*, relied on the relevant statements contained in the Offer Document, Circular, Supplemental Letter, confirmations, advice and representations by the Directors, the Management and/or their professional advisers (where applicable), and the Company's announcements in relation to the Revised Offer and Options Proposal. In addition, Directors should note that we have arrived at our recommendation based on information made available to us prior to and including the Latest Practicable Date. We assume no responsibility to update, review or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date, unless otherwise stated.

We would like to highlight that we do not express any opinion on the rationale for, as well as the legal and commercial risks and/or merits (if any) of the Revised Offer and Options Proposal, which remains the sole responsibility of the Directors. It is also not within our terms of reference to provide an opinion on the relative merits of the Revised Offer and Options Proposal *vis-à-vis* any alternative transactions previously considered by the Company or transactions that the Company may consider in the future.

We have prepared this Supplemental IFA Letter for the use by the Independent Directors in connection with their consideration of the Revised Offer and Options Proposal, but any recommendations made by the Independent Directors in respect of the Revised Offer and Options Proposal shall remain their sole responsibility. Whilst a copy of this Supplemental IFA Letter may be reproduced in the Supplemental Letter, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Supplemental IFA Letter (or any part thereof) for the purposes (other than for the consideration of the Revised Offer and Options Proposal) at any time and in any manner without the prior written consent of ZICO Capital.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
ZICO Capital Pte. Ltd.

Alex Tan
Chief Executive Officer

Karen Soh
Managing Director