

CIRCULAR DATED 1 APRIL 2022

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

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

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

## ***RafflesMedicalGroup***

Company Registration No. 198901967K  
(Incorporated in Singapore)

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

### **APPENDIX B TO THE NOTICE OF ANNUAL GENERAL MEETING 2022**

#### **IN RELATION TO**

**THE PROPOSED GRANT OF OPTION TO DR SARAH LU QINGHUI, AN ASSOCIATE OF DR LOO CHOON YONG,  
A CONTROLLING SHAREHOLDER, UNDER THE RAFFLES MEDICAL GROUP (2020) SHARE OPTION SCHEME**

**This Circular is issued to you together with the Notice of Annual General Meeting of Raffles Medical Group Ltd. The resolution proposed to be passed in relation to the above matter is set out in the Notice of Annual General Meeting.**

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## DEFINITIONS

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

- "2021 Circular"** : The Company's Circular to Shareholders dated 1 April 2021 set out at Appendix B to the notice of AGM dated 1 April 2021 convening the AGM held on 26 April 2021
- "2022 AGM"** : The AGM to be held on 25 April 2022
- "Act"** : The Companies Act 1967 of Singapore, as amended and modified from time to time
- "AGM"** : The annual general meeting of the Company
- "Associate"** : (a) in relation to any Director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means:—
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- "Associated Company"** : A company in which at least 20% but not more than 50% of its shares are held by the Company and/or its subsidiaries, or a subsidiary of such company, and over which the Company has control
- "Associated Company Employees"** : Has the same meaning as the definition of "Group Employee" save that references to "member of the Group" and "Group" shall be replaced with "Associated Company"
- "Board"** : The board of Directors
- "CDP"** : The Central Depository (Pte) Limited
- "Chairman of the 2022 AGM"** : The chairman of the 2022 AGM
- "Circular"** : This circular to Shareholders dated 1 April 2022 in respect of the proposed grant of option to Dr Sarah Lu Qinghui under the RMG ESOS 2020
- "Committee"** : The Nomination & Compensation Committee of the Company for the time being, which administers the RMG ESOS 2020
- "Company"** : Raffles Medical Group Ltd
- "control"** : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
- "Controlling Shareholder"** : A person who:—
- (a) holds directly or indirectly 15% or more of the total voting rights in

the company. The SGX-ST may determine that a person who satisfies this paragraph (a) is not a controlling shareholder; or

(b) in fact exercises control over a company

<b>"Directors"</b>	:	The directors of the Company for the time being
<b>"Executive Director"</b>	:	A director of any member of the Group or Associated Company (as the case may be) who performs an executive function
<b>"Group"</b>	:	The Company and its subsidiaries
<b>"Group Employee"</b>	:	An Executive Director or Non-Executive Director of any member of the Group or a full-time or part-time employee of any member of the Group (including any part-time doctor), in particular the expression "part-time doctor" means a doctor who is employed on a regular basis by the Group but whose hours of work are not full-time
<b>"Incentive Option"</b>	:	The right to subscribe for Shares granted or to be granted pursuant to the RMG ESOS 2020 and for the time being subsisting, and in respect of which the subscription price is determined in accordance with Rule 8.1(b) of the RMG ESOS 2020
<b>"Independent Shareholder"</b>	:	A shareholder of the Company other than a Controlling Shareholder or its Associate
<b>"Latest Practicable Date"</b>	:	16 March 2022, being the latest practicable date prior to the finalisation of this Circular
<b>"Listing Manual"</b>	:	The Listing Manual of the SGX-ST, as amended, modified and supplemented from time to time
<b>"Market Day"</b>	:	A day on which the SGX-ST is open for trading in securities
<b>"Market Price"</b>	:	A price equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication published by the SGX-ST for the three (3) consecutive Market Days immediately preceding the Offer Date of such Option
<b>"Market Price Option"</b>	:	The right to subscribe for Shares granted or to be granted pursuant to the RMG ESOS 2020 and for the time being subsisting and in respect of which the subscription price is determined in accordance with Rule 8.1(a) of the RMG ESOS 2020
<b>"New Shares"</b>	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Option(s) granted under the RMG ESOS 2020
<b>"Non-Executive Directors"</b>	:	The directors of any member of the Group or Associated Company (as the case may be) other than an Executive Director
<b>"Non-Executive and Non-Independent Director"</b>	:	A Non-Executive Director who is not an Independent Director
<b>"Notice of 2022 AGM"</b>	:	The notice of AGM dated 1 April 2022 convening the 2022 AGM
<b>"Offer Date"</b>	:	The date on which an offer to grant an Option is made
<b>"Option"</b>	:	A share option to subscribe for New Shares granted pursuant to the RMG ESOS 2020, which may be a Market Price Option or an Incentive Option, as the case may be
<b>"Participant"</b>	:	The holder of an Option

"Proposal"	:	The proposed grant of Option to Dr Sarah Lu Qinghui under the RMG ESOS 2020
"RMG ESOS 2020"	:	The Raffles Medical Group (2020) Share Option Scheme, approved and adopted by the Company on 26 June 2020 and amended by the Company on 26 April 2021, as the same may be further amended, modified or altered from time to time
"Rules"	:	The rules of the RMG ESOS 2020, as the same may be further amended, modified or altered from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	Registered holders for the time being of Shares, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the depositors whose securities accounts are credited with Shares
"Shares"	:	Ordinary shares in the share capital of the Company
"S\$" and "cents"	:	Singapore dollars and cents respectively
"%" or "per cent."	:	Percentage or per centum

The terms "**depositor**", "**depository agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore. The term "**subsidiary**" shall bear the meaning ascribed to it in Section 5 of the Act. The term "**treasury shares**" shall have the meaning ascribed to it in Section 4 of the Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

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

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

Any discrepancies in this Circular between the listed amounts and the totals thereof and/or the respective percentages are due to rounding.

WongPartnership LLP is the Singapore legal adviser to the Company for this Circular.

# RafflesMedicalGroup

Company Registration No. 198901967K  
(Incorporated in Singapore)

## LETTER TO SHAREHOLDERS

### Directors

Dr Loo Choon Yong (Executive Chairman)  
Mr Eric Ang Teik Lim (Lead Independent Director)  
Mr Lew Yoong Keong Allen (Independent Director)  
Mr Png Cheong Boon (Independent Director)  
Mr Raymond Lim Siang Keat (Independent Director)  
Mr Tan Wern Yuen (Independent Director)  
Ms Chong Chuan Neo (Independent Director)  
Professor Sung Jao Yiu (Independent Director)  
Mr Tan Soo Nan (Executive Director)  
Mr Olivier Lim Tse Ghow (Non-Executive and Non-Independent Director)  
Dr Sarah Lu Qinghui (Executive Director)

### Registered Office

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

1 April 2022

To: The Shareholders of Raffles Medical Group Ltd

Dear Sir / Madam

### THE PROPOSED GRANT OF OPTION TO DR SARAH LU QINGHUI, AN ASSOCIATE OF DR LOO CHOON YONG, A CONTROLLING SHAREHOLDER, UNDER THE RAFFLES MEDICAL GROUP (2020) SHARE OPTION SCHEME

## 1. INTRODUCTION

### 1.1 2022 AGM

The Directors wish to refer Shareholders to:

- (a) the Notice of 2022 AGM convening the 2022 AGM;
- (b) the Rules of the RMG ESOS 2020; and
- (c) the proposed grant of Option to Dr Sarah Lu Qinghui, an Associate of Dr Loo Choon Yong, a Controlling Shareholder, under the RMG ESOS 2020 (the "**Proposal**").

### 1.2 Circular

The purpose of this Circular is to provide Shareholders with information relating to the Proposal and to seek Shareholders' consent to the same at the 2022 AGM, and may not be relied upon by any persons (other than Shareholders) or for any other purpose. The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.

## 2. RMG ESOS 2020

### 2.1 Introduction

The RMG ESOS 2020, together with the Raffles Medical Group (2020) Performance Share Plan (**RMG PSP 2020**), was adopted by the Company at the annual general meeting held on 26 June 2020. Save for the RMG PSP 2020 and the RMG ESOS 2020, the Company does not have any other employee share scheme or

employee share option scheme in place. The Rules of the RMG ESOS 2020 are set out in Appendix B to the Company's 2021 Circular which is available on the Company's website.

As at the Latest Practicable Date, Options in respect of 16,000,000 Shares have been granted to 165 Participants pursuant to the RMG ESOS 2020.

## **2.2 Rationale for and benefits of the RMG ESOS 2020**

The RMG ESOS 2020 is intended to provide an opportunity for directors and employees of the Group and Associated Companies (including talented physicians/medical professionals) to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to their contributions and services. The RMG ESOS 2020 aims to give such directors and employees (including talented physicians/medical professionals) a stake in the Company and to help to, *inter alia*, motivate Participants to optimise performance standards and efficiency and to maintain a high level of contribution to the Group and Associated Companies achieve sustainable growth for the Company in the changing business environment, and retain key employees (including talented physicians/medical professionals) whose contributions are pivotal to the long-term growth and profitability of the Group and Associated Companies;

## **3. THE PROPOSED GRANT OF OPTION TO DR SARAH LU QINGHUI, AN ASSOCIATE OF DR LOO CHOON YONG, A CONTROLLING SHAREHOLDER, UNDER THE RMG ESOS 2020**

### **3.1 Proposed grant of Option to Dr Sarah Lu Qinghui**

Pursuant to the Rules of the RMG ESOS 2020, Group Employees and Associated Company Employees who are Controlling Shareholders and/or their Associates are entitled to participate in the RMG ESOS 2020, provided that (a) the participation of each of them; and (b) the actual number and terms of Options to be granted to each of them, have been approved by independent Shareholders of the Company in general meeting in separate resolutions for each such person. The participation of Dr Sarah Lu Qinghui in the RMG ESOS 2020 was approved by Shareholders at the Company's annual general meeting held on 26 April 2021.

Further, pursuant to Rules 5.1 and 5.2 of the RMG ESOS 2020:

- (a) the aggregate number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of all Options granted under the RMG ESOS 2020 and in respect of all other share-based incentive schemes of the Company then in force (if any), shall not exceed 15% of the total issued Shares of the Company (excluding treasury shares and subsidiary holdings) on the date preceding the Offer Date of an Option; and
- (b) in relation to Controlling Shareholder(s) or their Associates, the aggregate number of Shares which may be offered by way of grant of Options to Controlling Shareholder(s) and/or their Associates shall not exceed 25% of the total number of shares available under the RMG ESOS 2020 and the aggregate number of Shares which may be offered by way of grant of Options to each Controlling Shareholder or his Associate shall not exceed 10% of the total number of Shares available under the RMG ESOS 2020.

For the reasons set out in paragraph 3.2 below, it is proposed that authority be given to the Committee to grant an Option to her on the following terms:

- (a) Proposed Date of Grant of Option : Within 6 months from the date of the 2022 AGM
- (b) Number of Shares comprised in the proposed Option : 200,000 Shares (representing approximately 0.0107% of the total issued Shares as at the Latest Practicable Date)
- (c) Exercise Price per Share : Market Price
- (d) Exercise Period : The period from the day after the second anniversary of the Offer Date to the day falling before the tenth anniversary of the Offer Date

### 3.2 Rationale for grant of Option to Dr Sarah Lu Qinghui

Dr Sarah Lu Qinghui joined the Group as a Non-Executive and Non-Independent Director on 20 February 2018 and was re-designated as an Executive and Non-Independent Director on 1 June 2020 when she joined Raffles Hospital as a Consultant Breast Surgeon. She is the daughter of Dr Loo Choon Yong, the Executive Chairman and Controlling Shareholder of the Company.

Dr Sarah Lu has over 16 years of experience as a registered medical practitioner and more than 8 years of experience as a Specialist General Surgeon and Breast Surgeon. Prior to joining Raffles Hospital, she served as Consultant, General Surgery and Breast Surgery at Tan Tock Seng Hospital, one of the busiest hospitals in Singapore. In that capacity, she concurrently participated in the training and education of surgical residents and medical students as the Programme Director of National Healthcare Group, General Surgery Residency Programme and served as an Adjunct Assistant Professor with Lee Kong Chian School of Medicine and a Clinical Lecturer at the Yong Loo Lin National University of Singapore School of Medicine. Her experience as a Consultant Surgeon and Programme Director, will enable her to contribute positively to the Group.

With her medical background, and dual role as a Consultant Breast Surgeon and Executive Director, Dr Sarah Lu brings diversity of expertise to the Board and contributes to its deliberations. As a practising medical practitioner, she provides fresh perspective and insights from the ground which are critical to the core operations of the Group. Dr Sarah Lu's background in the training and education of surgical residents and medical students will help the Group in the recruitment and retention of medical talents, which are crucial to the Group's mission to be the best total healthcare provider.

In recognition of Dr Sarah Lu's performance and contribution to the Group and to motivate her to maintain a high level of contribution to the Group and achieve sustainable growth for the Company, the Company is proposing to grant an Option on the terms set out above to Dr Sarah Lu.

The Committee and the Board (excluding Dr Loo Choon Yong and Dr Sarah Lu Qinghui) are of the view that the proposed grant of the Option to Dr Sarah Lu Qinghui is fair given the contribution she has made and will continue to make to the Company by bringing fresh perspective and new insights to the Board. The grant of the Option on the terms as set out above (including its size) is consistent with the purposes of the RMG ESOS 2020 and will comply with the Rules of the RMG ESOS 2020 and Rule 845 of the Listing Manual. The proposed grant of the Option to Dr Sarah Lu Qinghui constitutes part of the Company's overall plan for the remuneration of all Participants under the framework for allocation of Options under the RMG ESOS 2020.

### 3.3 Cost of grant of Options

The grant of any Options under the RMG ESOS 2020 is considered a share-based payment that falls under the scope of the Singapore Financial Reporting Standards (International) (in particular, the Singapore Financial Reporting Standards (International) 2 ("**SFRS(I) 2**") or such other accounting standards that are currently in force.

Under SFRS(I) 2, the recognition of an expense in respect of Options granted under the RMG ESOS 2020 is required, as described in the following paragraphs:

- (a) The expense will be based on the fair value of the Options at each date of grant of the Options and will be recognised over the vesting period. This fair value is normally estimated by applying the option pricing model at the date of grant of the Options, taking into account the terms and conditions of the grant of the Options and recognised as a charge to the Company's consolidated profit and loss statement ("**P&L**") over the vesting period.
- (b) Before the end of the vesting period and at the end of each accounting year, the estimate of the number of Options that are expected to vest in each Participant by the vesting date is revised, and the impact of the revised estimate is recognised in the consolidated P&L. After the vesting date, no adjustment of the charge to the consolidated P&L is made.



#### **4. ANNUAL GENERAL MEETING**

The 2022 AGM will be conducted wholly by electronic means in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 for the time being in force (last amended on 6 April 2021) and the Joint Statement of the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 13 April 2020 (last updated on 4 February 2022) titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation" on 25 April 2022 at 3.30 p.m. for the purpose of considering and, if thought fit, passing the ordinary resolutions set out in the Notice of 2022 AGM.

#### **5. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders will only be able to vote at the 2022 AGM by appointing the Chairman of the 2022 AGM as proxy to vote on their behalf. In the proxy form, a Shareholder should specifically direct the proxy on how he/she is to vote for or against (or abstain from voting on) the resolutions to be tabled at the 2022 AGM. If no specific direction as to voting for ordinary resolution 14 is given in a proxy form, the Chairman of the 2022 AGM (being a Director) will abstain from voting on this resolution in respect of the Shares to which that proxy form relates. Any votes cast by such persons in contravention of this requirement will be disregarded.

Duly completed proxy forms must be deposited with the Company (a) via post to the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01 Singapore 068902; or (b) via electronic mail to [gpb@mncsingapore.com](mailto:gpb@mncsingapore.com) (e.g. enclosing a clear scanned completed and signed proxy form), and must be received by the Company by Friday, 22 April 2022 at 3.30 p.m. Singapore time (being 72 hours before the time appointed for the holding of the 2022 AGM). Proxy forms can be downloaded from SGXNET or the Company's website.

A Depositor shall not be regarded as a member of the Company entitled to attend the 2022 AGM unless his name appears in the Depository Register as at 72 hours before the 2022 AGM.

#### **6. ABSTENTION FROM VOTING**

Dr Loo Choon Yong and Dr Sarah Lu Qinghui will each abstain from voting in respect of ordinary resolution 14 as set out in the Notice of 2022 AGM. In addition, Dr Loo Choon Yong and Dr Sarah Lu Qinghui will procure that their respective Associates shall also abstain from voting on the same ordinary resolution 14. The Company shall disregard any votes cast by Dr Loo Choon Yong, Dr Sarah Lu Qinghui and their respective Associates in respect of the aforementioned ordinary resolution.

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

#### **7. DIRECTORS' RECOMMENDATIONS**

The Directors (save for Dr Loo Choon Yong and Dr Sarah Lu Qinghui) are of the opinion that the proposed grant of Option to Dr Sarah Lu Qinghui, an Associate of Dr Loo Choon Yong, a Controlling Shareholder, under the RMG ESOS 2020 is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 14 as set out in the Notice of 2022 AGM.

#### **8. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Circular in its proper form and context.

**9. DOCUMENTS FOR INSPECTION**

Copies of the Company's 2021 Circular and the Rules of the RMG ESOS 2020 are available for inspection at the registered office of the Company at 585 North Bridge Road, Raffles Hospital #11-00 Singapore 188770 during normal business hours on any weekday (public holidays excluded) from the date of this Circular up to and including the date of the 2022 AGM<sup>1</sup>.

Yours faithfully

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



Dr Loo Choon Yong  
Executive Chairman

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<sup>1</sup> *Inspection shall be subject to any applicable control order or regulatory restriction relating to safe distancing which may be issued by the relevant authorities.*