

CIRCULAR DATED 1 APRIL 2021

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 or opinions expressed contained in this Circular.

*Raffles*MedicalGroup

Company Registration No. 198901967K
(Incorporated in Singapore)

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

APPENDIX A TO THE NOTICE OF ANNUAL GENERAL MEETING 2021

IN RELATION TO

THE PROPOSED RENEWAL OF SHARE BUY BACK MANDATE

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.

DEFINITIONS

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

<i>“AGM”</i>	Annual General Meeting of the Company
<i>“Associate”</i>	(a) in relation to any director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:— (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
<i>“Award”</i>	An award of shares granted pursuant to the RMG Employee Incentive Schemes
<i>“CDP”</i>	The Central Depository (Pte) Limited
<i>“Circular”</i>	This Circular to Shareholders dated 1 April 2021 in respect of the proposed renewal of Share Buy Back Mandate
<i>“Companies Act”</i>	The Companies Act of Singapore (Chapter 50), as may be amended, modified or supplemented from time to time
<i>“Company”</i>	Raffles Medical Group Ltd
<i>“Constitution”</i>	The Constitution of the Company for the time being in force, as amended or modified from time to time
<i>“Controlling Shareholder”</i>	A person who (a) holds directly or indirectly 15% or more of the total voting rights in the Company (unless otherwise determined by the SGX-ST); or (b) who in fact exercises control over the Company
<i>“Directors”</i>	The Directors of the Company for the time being
<i>“Group”</i>	The Company and its subsidiaries
<i>“Latest Practicable Date”</i>	16 March 2021, being the last practicable date prior to the finalisation of this Circular
<i>“Listing Manual”</i>	The Listing Manual of the SGX-ST including any amendments made thereto up to the Latest Practicable Date
<i>“Market Day”</i>	A day on which the SGX-ST is open for trading in securities
<i>“month”</i>	A calendar month
<i>“Option”</i>	A share option to subscribe for new Shares granted pursuant to the RMG Employee Incentive Schemes
<i>“Registrar”</i>	The Registrar of Companies
<i>“RMG Employee Incentive Schemes”</i>	Any employee share-based incentive and/or share option schemes approved and adopted by the Company from time to time, including but not limited to the “Raffles Medical Group (2020) Performance Share Plan” and “Raffles Medical Group (2020) Share Option Scheme” approved and adopted by the Company on 26 June 2020, and the “Raffles Medical Group (2010) Share Option Scheme” approved and adopted by the Company on 30 April 2010
<i>“Securities Accounts”</i>	Securities accounts maintained by depositors with CDP, but not including securities accounts maintained with a depository agent
<i>“SGX-ST”</i>	Singapore Exchange Securities Trading Limited
<i>“Share Buy Back Mandate”</i>	The general and unconditional mandate given by Shareholders to authorise the Directors to purchase Shares in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Companies Act and the Listing Manual
<i>“Shareholders”</i>	Registered holders for the time being of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
<i>“Shares”</i>	Ordinary shares in the share capital of the Company
<i>“Share Buy Back”</i>	The purchase or acquisition by the Company of its issued Shares
<i>“Substantial Shareholder”</i>	A person who has an interest in not less than 5% of the issued voting shares in the Company

DEFINITIONS (CONT'D)

<i>"Take-over Code"</i>	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
<i>"S\$" and "cents"</i>	Singapore dollars and cents, respectively
<i>"per cent." or "%"</i>	Percentage or per centum

The terms "depositor", "depository agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289 of Singapore) in force as at the Latest Practicable Date. The term "subsidiary holdings" is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act. The term "treasury shares" shall have the meaning ascribed to it in Section 4 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. 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 Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies 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.

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

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

Any discrepancies in the tables 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.

RAFFLES MEDICAL GROUP LTD

Company Registration No. 198901967K
(Incorporated in Singapore)

LETTER TO SHAREHOLDERS

Directors

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

Registered Office

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

1 April 2021

To: The Shareholders of Raffles Medical Group Ltd

Dear Sir / Madam

THE PROPOSED RENEWAL OF SHARE BUY BACK MANDATE

1. INTRODUCTION

- 1.1 The Directors wish to refer Shareholders to Item 11 of the Notice of the Annual General Meeting ("**Notice of the 2021 AGM**") convening the 2021 AGM ("**2021 AGM**") in relation to the proposed renewal of the Share Buy Back Mandate. At the AGM of the Company held on 26 June 2020 ("**2020 AGM**"), Shareholders had approved the renewal of a share buy back mandate to enable the Company to purchase or otherwise acquire its issued Shares ("**2020 Share Buy Back Mandate**"). The rationale for, the authority and limitations on, and the financial effects of the 2020 Share Buy Back Mandate were set out in the Company's Letter to Shareholders dated 4 June 2020 ("**2020 Letter to Shareholders**").

The 2020 Share Buy Back Mandate was expressed to take effect on the date of the passing of an ordinary resolution approving the share buy back mandate at the 2020 AGM and will expire on the date of the 2021 AGM to be held on 26 April 2021.

1.2 Proposed Renewal of Share Buy Back Mandate

The Directors propose that the Share Buy Back Mandate be renewed at the 2021 AGM to authorise the Directors to exercise all powers of the Company to purchase or acquire its issued Shares on the terms of the proposed Share Buy Back Mandate. The proposed Share Buy Back Mandate is set out in Ordinary Resolution No. 11 under the heading "As Special Business" in the Notice of the 2021 AGM. Accordingly, Shareholders' approval is being sought for the renewal of the Share Buy Back Mandate at the 2021 AGM.

- 1.3 The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular to Shareholders. Shareholders who are in any doubt as to the action they should take, should consult their stockbrokers or other professional advisors immediately.

2. THE SHARE BUY BACK MANDATE

2.1 Rationale

The rationale for the Company to undertake the purchase or acquisition of its issued Shares, as previously stated on page 3 of the 2020 Letter to Shareholders, is as follows:

- (a) It is a principal mission of the Directors and management to constantly increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. Share Buy Back at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.
- (b) The proposed Share Buy Back Mandate will enable the Directors to invest part of the Group's surplus cash, if any, which is in excess of the financial and possible investment needs of the Group, in the existing businesses of the Group. It is an expedient, effective and cost-efficient way of returning surplus cash to its Shareholders.
- (c) The proposed Share Buy Back Mandate will give the Company greater flexibility in managing, *inter alia*, the Company's share capital structure and give Directors the ability to purchase Shares on the SGX-ST.

2.2 Authority and Limits on Share Buy Back Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Buy Back Mandate, if renewed at the 2021 AGM, are the same as previously approved by Shareholders under the 2020 Share Buy Back Mandate and are as follows:

2.2.1 Maximum Number of Shares

Only Shares which are issued and fully paid may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the proposed Share Buy Back Mandate is limited to not more than 10% of the total number of issued Shares as at the date of the 2021 AGM at which the renewal of the Share Buy Back Mandate is approved. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for the purposes of computing the 10% limit. As at the Latest Practicable Date, the Company had no treasury shares and no subsidiary holdings.

For illustrative purposes only, on the basis of 1,865,122,925 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2021 AGM, and that the Company does not reduce its share capital, not more than 186,512,292¹ Shares (representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date) may be purchased or acquired by the Company pursuant to the Share Buy Back Mandate (if renewed) during the period referred to in paragraph 2.2.2 below.

2.2.2 Duration of Authority

Purchases or acquisitions of Shares pursuant to the proposed Share Buy Back Mandate may be made, at any time and from time to time, on and from the date of the 2021 AGM, at which the renewal of the Share Buy Back Mandate is approved up to:

- (a) the date on which the next AGM of the Company is held or required by law to be held; or
- (b) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Buy Back Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the proposed Share Buy Back Mandate is revoked or varied by the Shareholders in a general meeting;

whichever is the earliest.

2.2.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) an on-market purchase of Shares ("**On-Market Share Buy Back**"), transacted on the SGX-ST through the ready market or the special trading counter on SGX-ST trading system or on any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
- (b) an off-market purchase of Shares ("**Off-Market Equal Access Share Buy Back**") effected pursuant to an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed pursuant to Section 76C of the Companies Act and otherwise be in accordance with all other laws and regulations and rules of the Listing Manual.

The Directors may impose such terms and conditions which are not inconsistent with the proposed Share Buy Back Mandate, the Listing Manual, the Companies Act and the Constitution, as amended or modified from time to time, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Equal Access Share Buy Back must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (2) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Listing Manual, if the Company wishes to make an Off-Market Equal Access Share Buy Back in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

- (l) the terms and conditions of the offer;

¹ The figure of 186,512,292 Shares is derived by computing 10% of the issued capital of the Company as at the Latest Practicable Date, which comprised 1,865,122,925 Shares (excluding treasury shares and subsidiary holdings), shown as follows: 10% * 1,865,122,925 = 186,512,292

- (II) the period and procedures for acceptances;
- (III) the reasons for the proposed purchase or acquisition of Shares;
- (IV) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (V) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (VI) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether by way of On-Market Share Buy Back or Off-Market Equal Access Share Buy Back), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and
- (VII) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

2.2.4 Purchase Price

The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses (collectively, the **"related expenses"**) to be paid for the Shares pursuant to the purchases or acquisitions of the Shares (in the case of an On-Market Share Buy Back or an Off-Market Equal Access Share Buy Back of a Share) must not exceed 105% of the Average Closing Market Price of the Shares (excluding related expenses).

For the above purposes:

- (a) **"Average Closing Market Price"** means the average of the closing market prices of the Shares over the last 5 Market Days, on which transactions in the Shares were recorded, immediately preceding the date of an On-Market Share Buy Back by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Equal Access Share Buy Back, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs during the relevant 5 Market Days and the day on which the repurchase is made; and
- (b) **"date of the making of the offer"** means the date on which the Company announces its intention to make an offer for an Off-Market Equal Access Share Buy Back, stating the purchase price (which shall not be more than five per cent (5%) above the Average Closing Market Price of the Shares, excluding related expenses) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Equal Access Share Buy Back.

2.3 Status of Purchased Shares

(i) Cancelled Shares

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

(ii) Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

Maximum Holdings

The number of Shares held as treasury shares shall not at any time exceed 10% of the total number of issued Shares.

Voting and Other Rights

The Company shall not exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of treasury shares after the subdivision or consolidation is the same as before.

Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, Directors or other persons. For example, the Company may transfer treasury shares to participants for the purposes of the RMG Employee Incentive Schemes;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/ or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/ or use of such treasury shares, the purpose of such sale, transfer, cancellation and/ or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/ or used, the number of treasury shares before and after such sale, transfer, cancellation and/ or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/ or use and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.4 Source of Funds

The Company may only apply funds for the purchase or acquisition of the Shares as provided in the Constitution and in accordance with the applicable laws of Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of an On-Market Share Buy Back, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Companies Act permits the Company to also purchase or acquire its own Shares out of capital and/ or profits so long as the Company is solvent.

For this purpose, the Company is solvent if:

- (a) the Company is able to pay its debts in full at the time it purchases or acquires the Shares and will be able to pay its debts as they fall due in the normal course of business in the 12 months immediately following the purchase; and
- (b) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the purchase or acquisition of Shares become less than the value of its liabilities (including contingent liabilities).

Further, for purposes of determining the value of a contingent liability, the Directors or management may take into account the following:

- (i) the likelihood of the contingency occurring; and
- (ii) any claim the Company is entitled to make and can reasonably expect to meet to reduce or extinguish the contingent liability.

The Directors do not propose to exercise the proposed Share Buy Back Mandate to such an extent that it would materially affect the working capital requirements or investment ability of the Group.

The Company intends to use internal sources of funds and/ or external borrowings to finance purchases or acquisitions of its Shares. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of the Shares pursuant to the proposed Share Buy Back Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions.

2.5 Financial Effects of the Share Buy Back

(i) Relevant Factors that Impact on the Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the proposed Share Buy Back Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares at the relevant time and whether the Shares purchased or acquired are held as treasury shares or cancelled.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

(ii) Information as at the Latest Practicable Date

As at the Latest Practicable Date, the issued capital of the Company comprised 1,865,122,925 Shares (excluding treasury shares and subsidiary holdings). In addition, as at the Latest Practicable Date, there were outstanding and remaining unexercised Options to subscribe for an aggregate of 75,609,000 Shares and 1,689,000 outstanding Awards. Except for Shares which are issuable on exercise of the outstanding Options, no Shares are reserved for issue by the Company as at the Latest Practicable Date.

(iii) Illustrative Financial Effects

For illustrative purposes only. Based on the latest audited financial statements of the Company and the Group as at 31 December 2020 and on the assumption that the Company purchases the Shares at S\$1.136 each (being the price equivalent to 105% of the average last dealt prices of the Shares for the 5 consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Last Practicable Date), the effects of the purchase or acquisition of 186,512,292 Shares on the issued and paid-up share capital, net tangible assets, gearing and working capital ratio of the Company and the Group are as shown in the table below:

	Company		Group	
	Before Buy Back S\$'000	After Buy Back S\$'000	Before Buy Back S\$'000	After Buy Back S\$'000
Total equity ^(1a)	748,111	535,408	914,397	701,694
Net tangible assets ^(1b)	747,108	534,405	864,852	652,149
Non-Current assets	621,815	621,815	1,073,004	1,073,004
Non-Current liabilities	51,690	216,690	209,813	374,813
Current assets	281,258	233,555	331,130	283,427
Current liabilities	103,272	103,272	279,924	279,924
Total borrowings	57,661	222,661	204,893	369,893
Profit attributable to shareholders ⁽²⁾	71,990	71,165	65,891	65,066
Number of Shares ('000)				
Issued and paid-up as at Latest Practicable Date	1,865,123	1,678,611	1,865,123	1,678,611
Weighted average number of issued and paid-up shares as at Latest Practicable Date	1,864,518	1,678,005	1,864,518	1,678,005
Financial Ratios				
Net Tangible Assets per share ^(1c) (cents)	40.06	31.84	46.37	38.85
Gearing ^(1d) (times)	0.08	0.42	0.22	0.53
Current Ratio ^(1e) (times)	2.72	2.26	1.18	1.01
Basic Earnings per share ^{(1f) (2)} (cents)	3.86	4.24	3.53	3.88

Notes:

(1) For the purposes of the above calculations:

- (a) "Total equity" means the aggregate amount of issued share capital, translation reserve, equity compensation reserve, revaluation reserve, other reserve, reserve for own shares, accumulated profits and non-controlling interests;
- (b) "Net tangible assets" means "Total equity" as disclosed in (1)(a) above and excludes non-controlling interests, intangible assets and goodwill;
- (c) "Net Tangible Assets per share" is calculated based on net tangible assets and issued and paid-up shares as at Latest Practicable Date;
- (d) "Gearing" represents the ratio of total borrowings to total equity;
- (e) "Current Ratio" means the ratio of current assets to current liabilities; and
- (f) "Basic Earnings per share" is calculated based on Profit attributable to shareholders and weighted average number of issued and paid-up shares as at Latest Practicable Date.

(2) Profit attributable to shareholders and Basic Earnings per share after Share Buy Back exercise, have been notionally adjusted by higher interest expense and a reduction of interest income (net of taxation).

The financial effects are the same whether the Shares are purchased on-market or off-market. As illustrated above, the buying back of Shares by the Company will:

- (a) reduce the number of Shares of the Company if the Shares bought back are cancelled;
- (b) decrease the consolidated Net Tangible Assets per Share of the Group; and
- (c) increase the consolidated Basic Earnings per Share of the Group.

The Net Tangible Assets of the Company and the consolidated Net Tangible Assets of the Group will be reduced by the dollar value of the Shares bought. The Directors believe that buying up to 186,512,292 Shares based on the number of issued and paid-up Shares as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2021 AGM, will have an impact on the earnings of the Company and the consolidated earnings of the Group for the current financial year.

The actual impact will depend on the number and price of the Shares bought back. The Directors do not propose to exercise the proposed Share Buy Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Company.

The purchase of Shares will only be effected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The proposed Share Buy Back Mandate will only be exercised with a view to enhance the earnings per share of the Group and will not be exercised if doing so will adversely affect the financial condition of the Company.

Shareholders should note that the financial effects illustrated above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the latest audited financial statements of the Company and the Group as at 31 December 2020, and are not necessarily representative of future financial performance of the Group. Although the proposed Share Buy Back Mandate would authorise the Company to purchase or acquire up to 10 per cent of its issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire 10 per cent of the issued Shares in full. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

2.6 Taxation

Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisors.

2.7 Reporting Requirements

The Companies Act and the Listing Manual require the Company to make reports in relation to the proposed Share Buy Back Mandate as follows:

- (a) Within 30 days of the passing of a Shareholders' resolution to approve purchase or acquisition of Shares by the Company, the Directors of the Company are required to lodge a copy of such resolution with the Registrar.
- (b) The Directors of the Company shall lodge with the Registrar within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise the notice of the purchase or acquisition in the prescribed form with the following particulars:
 - (i) the date of the purchase or acquisition;
 - (ii) the total number and value of Shares purchased or acquired by the Company;
 - (iii) the number of Shares cancelled;
 - (iv) the number of Shares held as treasury shares;
 - (v) the Company's issued share capital before and after the purchase or acquisition of Shares;
 - (vi) the amount of consideration paid by the Company for the purchase or acquisition of Shares;
 - (vii) whether the Shares were purchased or acquired out of profits or the capital of the Company; and
 - (viii) such other particulars as may be required on the prescribed form of notice.
- (c) The Company shall notify the SGX-ST of all purchases or acquisitions of Shares in the forms prescribed by the Listing Manual not later than 9.00 a.m.:
 - (i) in the case of an On-Market Share Buy Back, on the Market Day following any day on which the Company makes an On-Market Share Buy Back, or within such time period that may be prescribed by the SGX-ST from time to time; and
 - (ii) in the case of an Off-Market Equal Access Share Buy Back, on the second Market Day after the close of acceptance of offers made by the Company.

The notification of such repurchases of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

2.8 Suspension of Buy Back of Shares

As the Company would be considered an "insider" in relation to any proposed purchase or acquisition of its Shares, the Company will not purchase or acquire Shares after a price sensitive development has occurred or has been the subject of a decision of the Directors until such time as the price sensitive information has been publicly announced. In particular, the Company will not purchase or acquire Shares during the period of 1 month before the announcement of its half-year financial results (if applicable) and full-year financial results and the period of 2 weeks before the announcement of the financial results of the Company for each of the first, second and third quarter of its financial years (if applicable).

2.9 Take-over Implications Arising from Share Buy Back

If, as a result of any purchase or acquisition by the Company of Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in a change of effective control, or, as result of such increase, a Shareholder or a group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholders or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code (Rule 14).

Persons Acting in Concert

Under the Take-over Code, persons acting in concert ("**concert parties**") comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, *inter alia*, the following persons will be presumed under the Take-over Code to be persons to be acting in concert with each other:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

The circumstances under which Shareholders (including Directors) and their concert parties respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code ("**Appendix 2**").

The effect of Rule 14 and Appendix 2 is that:

- (i) Unless exempted, Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months; and
- (ii) A Shareholder who is not acting in concert with Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the proposed Share Buy Back Mandate.

Based on information in the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, no Substantial Shareholder will become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase or acquisition by the Company of the maximum limit of 10% of its Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

Shareholders are reminded that those who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of a Share Buy Back by the Company should consult the Securities Industry Council and/or their professional advisors at the earliest opportunity.

2.10 Listing Status of the Ordinary Shares

The Listing Manual of the SGX-ST requires a listed company to ensure that at least 10% of the total number of issued shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The "public", as defined under the Listing Manual, means the persons other than the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the Associates of such persons.

As at the Latest Practicable Date, approximately 39.4% of the issued Shares (excluding treasury shares) of the Company are in the hands of the public. Assuming that the Company purchases or acquires its Shares up to the full 10% limit pursuant to the proposed Share Buy Back Mandate from the public, approximately 32.7% of the reduced issued Shares of the Company would be in the hands of the public. Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the proposed Share Buy Back Mandate without affecting the listing status of the Shares on the SGX-ST, causing market illiquidity or affecting orderly trading.

In undertaking any purchases or acquisitions of Shares, the Directors will use their best efforts to ensure that, notwithstanding such purchases or acquisitions, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.11 Details of Previous Share Purchases

The Company has not purchased any Shares during the 12 months immediately preceding the Latest Practicable Date.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 Directors' Interests in Shares

The interests of the Directors in Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

<u>Shares</u>	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors						
Dr Loo Choon Yong	194,560,223	10.43	782,335,081	41.95	976,895,304	52.38
Mr Koh Poh Tiong	632,283	0.03	-	-	632,283	0.03
Mr Kee Teck Koon	314,588	0.02	-	-	314,588	0.02
Dr Wee Beng Geok	3,459,000	0.19	-	-	3,459,000	0.19
Mr Raymond Lim Siang Keat	150,000	0.01	-	-	150,000	0.01
Mr Tan Soo Nan	4,536,000	0.24	-	-	4,536,000	0.24
Mr Olivier Lim Tse Ghow	441,016	0.02	-	-	441,016	0.02
Dr Sarah Lu Qinghui	-	-	61,306,682	3.29	61,306,682	3.29

The interests of the Directors in outstanding Awards to be vested and released and Options to subscribe for Shares as at the Latest Practicable Date are as follows:

Awards

Directors	Number of Awards	Date of Grant
Mr Koh Poh Tiong	25,000	05/10/2020
Mr Kee Teck Koon	15,000	05/10/2020
Mr Eric Ang Teik Lim	15,000	05/10/2020
Dr Wee Beng Geok	10,000	05/10/2020
Mr Raymond Lim Siang Keat	10,000	05/10/2020
Mr Tan Soo Nan	10,000	05/10/2020
Mr Olivier Lim Tse Ghow	10,000	05/10/2020
Dr Sarah Lu Qinghui*	5,000	05/10/2020

*Dr Sarah Lu is deemed to have an interest in the share awards of her spouse, Dr Foo Tun Lin, a Consultant at the Raffles Hospital, a wholly-owned subsidiary of RMG.

Options

Directors	Number of Options	Exercise Price (\$\$)	Validity Period
Mr Koh Poh Tiong	150,000	1.50	01/04/2016 to 31/03/2021
	100,000	1.42	03/04/2017 to 02/04/2022
	150,000	1.09	03/09/2018 to 02/09/2023
	225,000	1.04	01/07/2019 to 30/06/2024
	400,000	0.81	05/10/2020 to 04/10/2025
Mr Kee Teck Koon	120,000	1.50	01/04/2016 to 31/03/2021
	75,000	1.42	03/04/2017 to 02/04/2022
	100,000	1.09	03/09/2018 to 02/09/2023
	150,000	1.04	01/07/2019 to 30/06/2024
	250,000	0.81	05/10/2020 to 04/10/2025
Mr Eric Ang Teik Lim	250,000	0.81	05/10/2020 to 04/10/2025
Dr Wee Beng Geok	120,000	1.50	01/04/2016 to 31/03/2021
	75,000	1.42	03/04/2017 to 02/04/2022
	100,000	1.09	03/09/2018 to 02/09/2023
	125,000	1.04	01/07/2019 to 30/06/2024
	250,000	0.81	05/10/2020 to 04/10/2025

Options (Cont'd)

Directors	Number of Options	Exercise Price (\$)	Validity Period
Mr Raymond Lim Siang Keat	90,000	1.50	01/04/2016 to 31/03/2021
	50,000	1.42	03/04/2017 to 02/04/2022
	75,000	1.09	03/09/2018 to 02/09/2023
	125,000	1.04	01/07/2019 to 30/06/2024
	250,000	0.81	05/10/2020 to 04/10/2025
Mr Tan Soo Nan	150,000	1.50	01/04/2016 to 31/03/2021
	100,000	1.42	03/04/2017 to 02/04/2022
	125,000	1.09	03/09/2018 to 02/09/2023
	200,000	1.04	01/07/2019 to 30/06/2029
	350,000	0.81	05/10/2020 to 04/10/2030
Mr Olivier Lim Tse Ghow	90,000	1.50	01/04/2016 to 31/03/2021
	50,000	1.42	03/04/2017 to 02/04/2022
	75,000	1.09	03/09/2018 to 02/09/2023
	100,000	1.04	01/07/2019 to 30/06/2024
	250,000	0.81	05/10/2020 to 04/10/2025
Dr Sarah Lu Qinghui	100,000	1.08	01/07/2019 to 30/06/2024

Save as disclosed above, none of the Directors has an interest in any Award or Option as at the Latest Practicable Date.

Note:

Please note that the information shown in this section may differ from the Annual Report as it is based on the Latest Practicable Date.

3.2 Substantial Shareholders' Interests in Shares

The interests of the substantial shareholders in Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	%⁽¹⁾	Number of Shares	%⁽¹⁾	Number of Shares	%⁽¹⁾
Dr Loo Choon Yong ⁽²⁾	194,560,223	10.43	782,335,081	41.95	976,895,304	52.38
Raffles Medical Holdings Pte Ltd	719,394,504	38.57	-	-	719,394,504	38.57
Global Alpha Capital Management Ltd ⁽³⁾	-	-	143,676,324	7.70	143,676,324	7.70

Notes:

(1) Percentage is calculated based on the total number of issued ordinary shares, excluding treasury shares.

(2) Dr Loo is deemed to be interested in the shares of the Company held through Raffles Medical Holdings Pte Ltd in which he is a director and shareholder of, S & D Holdings Pte Ltd in which he is a director and shareholder of, and his spouse, Mdm Leong Lai Chee, Jacqueline by virtue of the operation of the provisions of Section 4 of the Securities and Futures Act (Cap. 289).

(3) Global Alpha Capital Management Ltd. is a Canadian based discretionary asset manager, and has filed the notification on behalf of a number of pooled funds and client accounts, for which Global Alpha Capital Management Ltd. has discretionary control of voting rights. The pooled fund units are held by various clients. Global Alpha Capital Management Ltd. does not hold any of the Shares on its own behalf.

4. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the renewal of the Share Buy Back Mandate is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution No. 11 relating to the renewal of the Share Buy Back Mandate as set out in the Notice of the 2021 AGM.

5. 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 renewal of the Share Buy Back Mandate, 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 those sources and/or reproduced in this Circular in its proper form and context.

6. DOCUMENTS FOR INSPECTION

A copy of the Constitution of the Company may be inspected at the registered office of the Company during normal business hours on any weekday (public holidays excluded) from the date of this Circular up to the date of the 2021 AGM².

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



Dr Loo Choon Yong
Executive Chairman

² Inspection shall be subject to any applicable control order or regulatory restriction relating to safe distancing which may be issued by the relevant authorities.