

OFFER INFORMATION STATEMENT DATED 9 DECEMBER 2014 (NOT FOR DISTRIBUTION OUTSIDE SINGAPORE)

(Lodged with the Singapore Exchange Securities Trading Limited (the "SGX-ST"), acting as agent on behalf of the Monetary Authority of Singapore (the "Authority"), on 9 December 2014)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISOR(S) IMMEDIATELY.

The Rights Shares (as defined herein) offered are issued by Singapore Medical Group Limited (the "Company"), an entity whose shares are listed for quotation on the Catalist Board of the SGX-ST (the "Catalist Board"). The Company intends to list the Rights Shares and an application has been made for permission for the Rights Shares to be listed for quotation on the Catalist Board. The SGX-ST had on 25 November 2014 issued the listing and quotation notice to deal in and for the listing of and quotation for the Rights Shares on the Catalist Board, subject to certain conditions. The issue of the listing and quotation notice granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue (as defined herein), the Rights Shares, the Company, its subsidiaries and their securities.

Companies listed on the Catalist Board may carry higher investment risk when compared to larger or more established companies listed on the Mainboard of the SGX-ST. In particular, companies may list on the Catalist Board without a track record of profitability and there is no assurance that there will be a liquid market in the securities traded on the Catalist Board. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial advisor.

This offer is accompanied by a copy of this Offer Information Statement (the "OIS"), together with a copy of the Provisional Allotment Letter (the "PAL"), the Application Form for Rights Shares and excess Rights Shares (the "ARE") and the Application Form for Rights Shares (the "ARS"), that have been lodged with the SGX-ST, acting as agent on behalf of the Authority.

Neither the Authority nor the SGX-ST has examined or approved the contents of this OIS, the PAL, the ARE and the ARS (collectively, the "Documents"). Neither the Authority nor the SGX-ST assumes any responsibility for the contents of the Documents, including the correctness or accuracy of any of the statements or opinions made or reports contained therein. Neither the Authority nor the SGX-ST has in any way considered the merits of the Rights Issue, and the Rights Shares being offered, or in respect of which an invitation is made for investment in the Company, its subsidiaries and their securities.

The lodgement of this OIS with the SGX-ST, acting as agent on behalf of the Authority, does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, or requirements in the SGX-ST's listing rules, have been complied with.

Acceptance of applications will be conditional upon issue of the Rights Shares and listing of the Rights Shares. Monies paid in respect of any application accepted will be returned if the listing of the Rights Shares does not proceed.

A listing and quotation notice has been obtained from the SGX-ST for the listing of and quotation for the Rights Shares on the Catalist Board subject to certain conditions which include, *inter alia*, compliance with the SGX-ST's listing requirements. The Rights Shares will be admitted to the Catalist Board after all certificates relating thereto have been issued and the allotment letters from The Central Depository (Pte) Limited have been despatched.

This OIS and its accompanying documents have been prepared solely in relation to the issue of the Rights Shares and shall not be relied upon by any other persons or for any other purposes.

After the expiration of six (6) months from the date of lodgement of this OIS, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this OIS, and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this OIS. **Your attention is drawn to the section titled "Risk Factors" of this OIS for a discussion of certain factors to be considered in connection with an investment in the Rights Shares.**

All the documentation relating to the Rights Issue have been seen and approved by the Directors (as defined herein) and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after making reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in these Documents misleading.

This OIS has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor"), for compliance with the relevant rules of the SGX-ST, this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this OIS. The Sponsor has given its written consent to the inclusion herein of its name in the form and context in which it appears in this OIS. The contact person for the Sponsor is Mr. Eric Wong, Director, Corporate Finance, Telephone +65 6337 5115.



SINGAPORE MEDICAL GROUP LIMITED
(Incorporated in the Republic of Singapore on 10 March 2005)
(Company Registration No. 200503187W)

RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 25,093,500 NEW ORDINARY SHARES IN THE ISSUED SHARE CAPITAL OF THE COMPANY, AT AN ISSUE PRICE OF S\$0.153 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TEN (10) EXISTING ORDINARY SHARES IN THE ISSUED SHARE CAPITAL OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "RIGHTS ISSUE")

Manager for the Rights Issue



PROVENANCECAPITAL

PROVENANCE CAPITAL PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200309056E)

IMPORTANT DATES AND TIMES

Last date and time for splitting	:	17 December 2014 at 5.00 p.m.
Last date and time for acceptance and payment	:	6 January 2015 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Last date and time for renunciation and payment	:	6 January 2015 at 5.00 p.m.
Last date and time for excess application and payment	:	6 January 2015 at 5.00 p.m. (9.30 p.m. for Electronic Applications)

IMPORTANT NOTICE

Capitalised terms used below which are not otherwise defined herein shall have the meanings as ascribed to them under the section titled “Definitions” of this OIS.

For Entitled Depositors and their renounees, acceptances of the Rights Shares and/or applications for excess Rights Shares may be made through CDP or by way of Electronic Applications. For Entitled Scripholders and their renounees, acceptances of the Rights Shares and/or applications for excess Rights Shares may be made through the Share Registrar of the Company, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd).

For investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares and/or applications for excess Rights Shares must be done through the respective finance companies or Depository Agents. Any application made directly through CDP or through ATMs will be rejected.

The Company is not registered under the Central Provident Fund (the “CPF”) Investment Scheme and the CPF account savings of CPF members under the CPF Investment Scheme — Ordinary Account may not be used for the acceptances of the Rights Shares and/or applications for excess Rights Shares.

The existing Shares are listed and quoted on the Catalist Board.

Persons wishing to subscribe for the Rights Shares offered by this OIS should, before deciding whether to subscribe, carefully read this OIS in its entirety in order to make an informed assessment of, *inter alia*, the assets and liabilities, risk factors, profits and losses, financial position and performance and prospects of the Company and/or the Group, and the rights and liabilities attaching to the Rights Shares. They should also make their own independent enquiries and investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this OIS in the light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their business, financial, legal, investment, tax or other professional advisors before deciding whether to purchase or subscribe for the Rights, the Rights Shares and/or the Shares or invest in the Company.

No person has been authorised to give any information or to make any representation, other than those contained in this OIS in connection with the Rights Issue or the allotment and issue of the Rights Shares and, if given or made, such information or representation must not be relied upon as having been authorised by the Company, the Manager or the Sponsor. Save as expressly stated in this OIS, nothing contained in this OIS is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company and/or the Group. Neither the delivery of this OIS nor the issue of the Rights Shares shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no material change in the affairs of the Company and/or the Group or any of the information contained in this OIS since the date of this OIS. Where such a change occurs after the date of this OIS and is material, or is required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via the SGXNET and, if required, lodge a supplementary or replacement OIS with the SGX-ST, acting as agent on behalf of the Authority. All Entitled Shareholders and their renounees should take note of any such announcement and upon the release of such announcement and/or lodgement of such supplementary or replacement document (as the case may be) shall be deemed to have notice of such a change.

None of the Company, the Manager or the Sponsor is making any representation to any person regarding the legality of an investment in the “nil-paid” Rights, the Rights Shares and/or the Shares, by such person under any investment or any other laws or regulations. No information in this OIS should be considered to be business, financial, legal, investment or tax advice. Each prospective investor should consult his own professional advice from his business, financial, legal, investment, tax or other professional advisors regarding an investment in the “nil-paid” Rights, the Rights Shares and/or the Shares.

IMPORTANT NOTICE

The Manager and the Sponsor make no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights Shares, the Company, the Group or any other matter related thereto or in connection therewith. Nothing in this OIS or its accompanying documents shall be construed as a recommendation to accept or purchase the Rights Shares. Prospective subscribers of the Rights Shares should rely on their own investigation of the financial condition and affairs, appraisal and determination of the merits of investing in the Company and/or the Group and shall be deemed to have done so.

This OIS and its accompanying documents have been prepared solely in relation to the issue of the Rights Shares and shall not be relied upon by any other persons (other than Entitled Shareholders and their renounees and Purchasers to whom it is despatched by the Company) or for any other purposes.

This OIS, including the PAL, the ARE and the ARS, may not be used for the purposes of, and does not constitute, an offer, invitation or solicitation by anyone in any jurisdictions or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution of this OIS and/or its accompanying documents, and the purchase, exercise of or subscription for the “nil-paid” Rights and the Rights Shares may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative being complied with) in certain jurisdictions under the relevant securities laws of such jurisdictions. Entitled Shareholders or any other persons having possession of this OIS and/or its accompanying documents are advised to keep themselves informed of and observe such prohibitions and restrictions at their own expense and without liability to the Company, the Manager or the Sponsor. Please refer to the section titled “Eligibility of Shareholders to Participate in the Rights Issue” of this OIS for further information.

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CORPORATE INFORMATION

Directors of the Company	: Mr. Tony Tan Choon Keat (<i>Non-Executive Chairman</i>) Dr. Beng Teck Liang (<i>Executive Director and Chief Executive Officer</i>) Mr. Ho Lon Gee (<i>Independent Director and Chairman, Audit Committee</i>) Mr. Jimmy Yim Wing Kuen (<i>Independent Director and Chairman, Nominating Committee and Remuneration Committee</i>)
Registered Office of the Company	: 290 Orchard Road #13-01, The Paragon Singapore 238859
Manager of the Rights Issue	: Provenance Capital Pte. Ltd. 96 Robinson Road #13-01, SIF Building Singapore 068899
Sponsor to the Company	: CIMB Bank Berhad, Singapore Branch 50 Raffles Place #09-01, Singapore Land Tower Singapore 048623
Legal Advisor to the Company	: Pinsent Masons MPillay LLP 16 Collyer Quay #22-00 Singapore 049318
Share Registrar	: Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) 80 Robinson Road #02-00 Singapore 068898
Receiving Banker	: CIMB Bank Berhad, Singapore Branch 50 Raffles Place #09-01, Singapore Land Tower Singapore 048623

DEFINITIONS

For the purposes of this OIS, the PAL, the ARE and the ARS, the following terms shall, unless the context otherwise requires or unless otherwise stated, have the following meanings:

“Aesthetics and Wellness Cluster”	:	Shall have the meaning ascribed to it in paragraph 3 of Part V of this OIS
“Aesthetics Business”	:	Shall have the meaning ascribed to it in paragraph 3 of Part V of this OIS
“Applicant”	:	Shall have the meaning ascribed to it in the second paragraph of Appendix III of this OIS
“Arbitration Proceedings”	:	The arbitration case filed by an ex-employee of SECTC against the Company and SECTC
“ARE”	:	Application and acceptance form for Rights Shares and excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
“ARS”	:	Application and acceptance form for Rights Shares to be issued to Purchasers under the Rights Issue traded on the Catalist Board through the book-entry (scripless) settlement system
“ATM”	:	Automated teller machine of a Participating Bank
“Authority”	:	The Monetary Authority of Singapore
“Avrist”	:	PT Avrist Assurance
“Board”	:	The board of Directors of the Company as at the Latest Practicable Date
“Books Closure Date”	:	9 December 2014 at 5.00 p.m. (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the time and date at and on which the Register of Members and the share transfer books of the Company will be closed to determine the provisional allotments of Entitled Shareholders under the Rights Issue
“BTL”	:	Dr. Beng Teck Liang
“Catalist Board”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	Listing Manual Section B: Rules of Catalist Board of the SGX-ST, as may be amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Claimant”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“Closing Date”	:	6 January 2015 at 5.00 p.m. (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the last time and date for acceptance of and payment, and renunciation and payment for, the Rights Shares and (if applicable) application and payment for excess Rights Shares under the Rights Issue through CDP or the Share Registrar; or 6 January 2015 at 9.30 p.m. (or such other time(s) and/or date(s)

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	as may be announced from time to time by or on behalf of the Company), being the last time and date for acceptance of and payment for, the Rights Shares and (if applicable) application and payment for excess Rights Shares under the Rights Issue by way of an Electronic Application
“Clusters”	: Shall have the meaning ascribed to it in paragraph 3 of Part V of this OIS
“Companies Act”	: Companies Act (Chapter 50) of Singapore, as may be amended or modified from time to time
“Company”	: Singapore Medical Group Limited (Company Registration No.: 200503187W)
“Consideration Shares”	: Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“Cooperation Agreement”	: Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“CPF”	: The Central Provident Fund
“Critical Illness Cluster”	: Shall have the meaning ascribed to it in paragraph 3 of Part V of this OIS
“CSS”	: Centre for Spine & Scoliosis Surgery Pte. Ltd.
“CWHA”	: Centre For Wellness & Healthy Aging Pte. Ltd.
“Deeds of Undertaking”	: The deeds of irrevocable undertaking dated 4 November 2014 entered into by each of the Undertaking Shareholders and the Company in favour of the Company
“Dental Director”	: The Company’s dental clinic manager who, under the Private Hospitals and Medical Clinic Regulations, is responsible for overseeing the dental functions of the Company’s dental clinic
“Directors”	: The directors of the Company as at the Latest Practicable Date
“Disposal”	: Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“Electronic Application”	: Acceptance of and payment for the Rights Shares and (if applicable) application and payment for excess Rights Shares made through an ATM of a Participating Bank in accordance with the terms and conditions of this OIS
“Entitled Depositors”	: Shareholders with Shares standing to the credit of their Securities Accounts as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
“Entitled Rights Shares”	: An aggregate of 13,393,799 Rights Shares which the Undertaking Shareholders are entitled to subscribe for pursuant to the Rights Issue

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“Entitled Scripholders”	:	Shareholders whose share certificates are not deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the relevant share certificates for registration up to the Books Closure Date and whose registered addresses with the Share Registrar are in Singapore as at the Books Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders, collectively
“Existing Issued Share Capital”	:	The existing issued share capital of the Company comprising 250,935,000 Shares as at the Latest Practicable Date
“Eye Cluster”	:	Shall have the meaning ascribed to it in paragraph 3 of Part V of this OIS
“FH”	:	Mr. Felix Huang Keming
“Foreign Purchasers”	:	Shall have the meaning ascribed to it in paragraph 2 of the section titled “Eligibility of Shareholders to Participate in the Rights Issue” of this OIS
“Foreign Shareholders”	:	Shareholders whose registered addresses with CDP or the Share Registrar are outside Singapore as at the Books Closure Date and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar (as the case may be) with addresses in Singapore for the service of notices and documents
“FY”	:	Financial year of the Company ended or (as the case may be) ending as at 31 December
“FY2011”	:	The financial year ended 31 December 2011
“FY2012”	:	The financial year ended 31 December 2012
“FY2013”	:	The financial year ended 31 December 2013
“Group”	:	The Company and its subsidiaries
“HCH”	:	Dr. Ho Choon Hou
“Health Business”	:	Shall have the meaning ascribed to it in paragraph 3 of Part V of this OIS
“HY2013”	:	The six-month financial period ended 30 June 2013
“HY2014”	:	The six-month financial period ended 30 June 2014
“Issue Price”	:	The issue price of the Rights Shares, being S\$0.153 for each Rights Share
“Investor”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS

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“Irrevocable Undertakings”	:	Shall have the meaning ascribed to it in paragraph 1(f) of Part X of this OIS
“JV Company”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“KC”	:	Kendall Court Vision Pte. Ltd.
“KC Deed of Undertaking”	:	The deed of irrevocable undertaking dated 24 December 2013 entered into by KC and the Company in favour of the Company
“Latest Practicable Date”	:	3 December 2014, being the latest practicable date prior to the printing of this OIS
“M&AA”	:	The memorandum and articles of association for the time being of the Company
“Mainboard”	:	The mainboard of the SGX-ST
“Manager”	:	Provenance Capital Pte. Ltd.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Maximum Subscription Scenario”	:	Assuming all Shareholders (including Undertaking Shareholders) subscribe and pay for their pro rata entitlements of the Rights Shares (including Entitled Rights Shares)
“MCH”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“MCM”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“MCM Shareholders”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“Medical Directors”	:	The Company’s clinic managers who, under the Private Hospitals and Medical Clinic Regulations, are responsible for overseeing the clinical functions of the Company’s medical clinics
“Minimum Subscription Scenario”	:	Assuming only the Undertaking Shareholders subscribe and pay for their pro-rata entitlements of the Entitled Rights Shares pursuant to their respective Deeds of Undertaking, and none of the other Shareholders subscribes and pays for any Rights Shares
“NAV”	:	Net asset value
“Net Proceeds”	:	The estimated net proceeds from the Rights Issue
“NRIC”	:	The national registration identity card
“O&G SPA”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“Offer”	:	The voluntary conditional cash offer for all the Shares (other than certain Shares which were not tendered in acceptance pursuant to irrevocable undertakings provided in favour of PB) which closed on 25 November 2013

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“Offer Announcement”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“Offer Purchaser”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“Offer Vendors”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“OIS”	:	This offer information statement, including the PAL, the ARE, the ARS and all other accompanying documents, including any supplementary or replacement document issued by the Company and lodged with the SGX-ST, acting as agent on behalf of the Authority in connection with the Rights Issue
“PAL”	:	The provisional allotment letter issued to an Entitled Scripholder setting out the provisional allotments of Rights Shares of such Entitled Scripholder under the Rights Issue
“Participating Banks”	:	DBS Bank Ltd (including POSB), United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited and “ Participating Bank ” refers to any one of them
“Parties”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“PB”	:	Pure Beauty Investments Limited
“Placement”	:	The placement of the Placement Shares by the Company to the Subscribers at the Placement Price
“Placement Agreements”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“Placement Price”	:	S\$0.162 per Placement Share
“Placement Shares”	:	26,971,000 new Shares allotted and issued by the Company pursuant to the Placement
“PRC”	:	The People’s Republic of China
“Principal PAL”	:	Shall have the meaning ascribed to it in paragraph 4.1 of Appendix II of this OIS
“Proposed Acquisition”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“Purchasers”	:	The purchasers of the provisional allotments of Rights Shares
“PWE”	:	Shall have the meaning ascribed to it in paragraph 9(b) of Part IV of this OIS
“RCPS”	:	The 25,516,644 cumulative redeemable convertible preference shares that are, <i>inter alia</i> , convertible into Shares, with each redeemable convertible preference shares convertible into one (1) Share (subject to adjustments pursuant to the terms of the Subscription Agreement, as described hereafter), at any time for a period of 6.5 calendar years from 6 June 2012, issued by

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the Company to Kendall Court (Singapore) Pte. Ltd. pursuant to a subscription agreement dated 28 December 2011, as supplemented by a supplemental agreement dated 16 March 2012 and as novated by a deed dated 28 May 2012 entered amongst the Company, Kendall Court (Singapore) Pte. Ltd. and KC whereby Kendall Court (Singapore) Pte. Ltd. novated the redeemable convertible preference shares to KC (the subscription agreement, as supplemented and novated, the “**Subscription Agreement**”), which have been fully redeemed on 28 February 2014

- “Record Date”** : In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or the Securities Accounts of Shareholders must be credited with Shares in order to participate in such dividends, rights, allotments or other distributions
- “Red Ancient”** : Red Ancient Global Ltd.
- “Register of Members”** : Register of members of the Company
- “Relevant Particulars”** : Shall have the meaning ascribed to it in Appendix III of this OIS
- “Relevant Parties”** : Shall have the meaning ascribed to it in Appendix III of this OIS
- “Rights”** : The “nil-paid” rights (evidenced by the provisional allotment of such “nil-paid” rights)
- “Rights Issue”** : The renounceable non-underwritten rights issue of up to 25,093,500 new Shares in the share capital of the Company, at an issue price of S\$0.153 for each Rights Share, on the basis of one (1) Rights Share for every ten (10) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
- “Rights Shares”** : Up to 25,093,500 new Shares to be allotted and issued by the Company pursuant to the Rights Issue
- “RMB”** : The lawful currency of the PRC
- “S&P Agreement”** : Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
- “SAC”** : Singapore Aesthetic Centre Pte Ltd
- “SAC SPA”** : Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
- “Scripholders”** : Shareholders whose Shares are registered in their own names and whose share certificates are not deposited with CDP
- “SECTC”** : Singapore Eye & Cornea Transplant Centre Pte Ltd
- “Securities Account”** : A securities account maintained by a Depositor with CDP, but not including a securities sub-account maintained with a Depository Agent

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“Settlement Agreement”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“SFA”	:	Securities and Futures Act (Chapter 289) of Singapore, as may be amended, supplemented or modified from time to time
“SGXNET”	:	The SGXNET Corporate Announcement System
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd)
“Shareholders”	:	Registered holders of Shares in the Register of Members, 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 maintained by CDP whose Securities Accounts are credited with those Shares
“Shares”	:	Ordinary shares in the issued share capital of the Company
“SIAC”	:	Singapore International Arbitration Centre
“SIC”	:	Securities Industry Council
“SM”	:	Silver Mines Global Limited
“SMGHKL”	:	Singapore Medical Group (HK) Limited
“SMGHKL Disposal”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“SMGHKL SPA”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“SMGIC”	:	SMG Insurance Corporation Pte. Ltd.
“SMGIP”	:	SMG International Partners Pte. Ltd.
“SMGOG”	:	SMG Orthopaedic Group Pte. Ltd.
“Split Letters”	:	Shall have the meaning ascribed to it in paragraph 3.1 of Appendix II of this OIS
“Sponsor”	:	CIMB Bank Berhad, Singapore Branch
“SSA”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“Steps”	:	Shall have the meaning ascribed to it in the first paragraph of Appendix III of this OIS
“Subscribers”	:	Coop International Pte. Ltd., Immortal Gains Ltd, RCY Capital Ltd, Ramesh S/O Pritamdas Chandiramani, Kingston Kwek Eik Huih, Lim Tiong Kheng Steven, Lim Chye Huat, Ling Wei Feng, Sandra, Luxe Heritage Capital Management Limited, Sim Mong Teck, Liew Chee Kong and Ho Kok Fi John

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“ Subscription Agreement ”	:	Shall have the meaning ascribed to it in the definition of “RCPS” as set out in the section titled “Definitions” of this OIS
“ subsidiary ” or “ subsidiaries ”	:	Has the meaning ascribed to it in Section 5 of the Companies Act
“ Substantial Shareholder ”	:	A person (including a corporation) who has an interest directly or indirectly in 5% or more of the total number of issued Shares
“ Take-over Code ”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“ TCC SPA ”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“ TT ”	:	Mr. Tony Tan Choon Keat
“ Undertaking Shareholders ”	:	TT, SM and BTL
“ XB ”	:	Dr. Xiaoyan Baumann Geb. Bi.
“ XB SPA ”	:	Shall have the meaning ascribed to it in paragraph 9(c) of Part IV of this OIS
“ 2013 Rights Issue ”	:	The renounceable non-underwritten rights issue announced by the Company on 24 December 2013 for the issuance of 72,868,000 2013 Rights Shares at S\$0.105 for each 2013 Rights Share, on the basis of one (1) 2013 Rights Share for every two (2) existing Shares held by Shareholders as at 9 January 2014
“ 2013 Rights Shares ”	:	72,868,000 new Shares allotted and issued by the Company pursuant to the 2013 Rights Issue, and each, a “ 2013 Rights Share ”
“ % ”	:	Per centum or percentage
“ S\$ ” or “ cents ”	:	The lawful currency of the Republic of Singapore

The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A 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, where applicable, include corporations.

Any references in this OIS, the PAL, the ARE and the ARS to any enactment are references to that enactment as for the time being amended or re-enacted.

Any word defined under the Companies Act, the SFA, the Catalist Rules or any modification thereof and not otherwise defined in this OIS, the PAL, the ARE and the ARS shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act, the Catalist Rules or such modification thereof (as the case may be).

DEFINITIONS

Any reference to a time of day in this OIS, the PAL, the ARE and the ARS shall be a reference to Singapore time unless otherwise stated. Any reference to dates and/or times in this OIS, the PAL, the ARE and the ARS in relation to the Rights Issue (including the last dates and times for acceptance and payment, renunciation and payment, and excess application and payment) shall include such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any discrepancies in figures included in this OIS between the amounts listed and the total thereof are due to rounding. Accordingly, figures shown as totals in this OIS may not be an arithmetic aggregation of the figures that precede them.

EXPECTED TIMETABLE OF KEY EVENTS

Shares trade ex-rights	:	5 December 2014 from 9.00 a.m.
Books Closure Date	:	9 December 2014 at 5.00 p.m.
Despatch of OIS together with the PAL or the ARE (as the case may be) to the Entitled Shareholders	:	12 December 2014
Commencement of trading of "nil-paid" rights	:	12 December 2014 from 9.00 a.m.
Last date and time for splitting rights	:	17 December 2014 at 5.00 p.m.
Last date and time for trading of "nil-paid" rights	:	22 December 2014 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Shares	:	6 January 2015 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Last date and time for application and payment for excess Rights Shares	:	6 January 2015 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Last date and time for acceptance and payment for Rights Shares by renounees	:	6 January 2015 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Expected date for issuance of Rights Shares	:	13 January 2015
Expected date for crediting of Rights Shares	:	14 January 2015
Expected date for refund of unsuccessful applications (if made through CDP)	:	14 January 2015
Expected date for the listing and quotation for the Rights Shares	:	14 January 2015
Expected date for commencement of trading of Rights Shares	:	14 January 2015 from 9.00 a.m.

Pursuant to Rule 820(1) of the Catalist Rules, the Rights Issue will not be withdrawn after the Shares have commenced ex-rights trading. Based on the above timetable, the Shares have commenced ex-rights trading on **5 December 2014** from **9.00 a.m.**.

The above timetable is indicative only and is subject to change. As at the Latest Practicable Date, the Company does not expect the timetable to be modified. However, the Company may upon consultation with the Manager and with the approval of the SGX-ST, the Sponsor and/or CDP, modify the timetable subject to any limitation under any applicable laws or regulations. In that event, the Company will publicly announce any change to the above timetable through an SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

1. Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights Issue and to receive this OIS together with the PAL or the ARE (as the case may be) and other accompanying documents at their respective Singapore addresses. Entitled Depositors who do not receive this OIS and/or the ARE may obtain them from CDP or the Share Registrar during the period up to the Closing Date. Entitled Scripholders who do not receive this OIS and/or the PAL may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders have been provisionally allotted the Rights Shares on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or in the case of the Entitled Depositors, trade on the Catalist Board during the Rights trading period prescribed by the SGX-ST, their provisional allotments of the Rights Shares and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

The Rights Shares which are not otherwise taken up or allotted for any reason in accordance with the terms of the Rights Issue, shall be used to satisfy excess Rights Shares applications as the Directors may, in their absolute discretion, deem fit. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots. Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.

The Company will not make any allotment and issue of any excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

All dealings in and transactions of the provisional allotments of Rights Shares on the Catalist Board will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the Catalist Board.

Entitled Depositors should note that all correspondences and notices will be sent to their latest mailing addresses registered with CDP. Entitled Scripholders should note that all correspondence and notices will be sent to their latest mailing addresses registered with the Share Registrar.

The details of the procedures for, and the terms and conditions applicable to, acceptances, splitting, renunciations and/or sales of the provisional allotments of Rights Shares and/or the applications for excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices I to III to this OIS and in the PAL, the ARE and the ARS.

2. Foreign Shareholders

This OIS and its accompanying documents have not been and will not be registered or lodged in any jurisdictions other than in Singapore. The distribution of this OIS and/or its accompanying documents, and the purchase, exercise of or subscription for the “nil-paid” Rights Shares and the Rights Shares may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative being complied with) in certain jurisdictions under the relevant securities laws of such jurisdictions.

For practical reasons and in order to avoid any violation of the securities legislations applicable in countries other than Singapore, the Rights Issue is only made in Singapore and this OIS and its accompanying documents have not been and will not be despatched to Foreign Shareholders or to any jurisdictions outside Singapore.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares has been made to Foreign Shareholders and no purported acceptance thereof or application therefore by Foreign Shareholders will be valid.

This OIS and its accompanying documents will also not be despatched to persons purchasing the provisional allotments of the Rights Shares through the book-entry (scripless) settlement system if their mailing addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

The Company reserves the right to reject any acceptances of Rights Shares and/or applications for excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate the securities legislations applicable to any jurisdiction outside Singapore. The Company further reserves the right to treat as invalid any PAL, ARE and/or ARS or decline to register such application and/or purported application which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the securities legislations applicable in such jurisdiction; (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore; or (c) purports to exclude any deemed representation or warranty or confirmation whether express, or deemed, to be given.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the Catalist Board as soon as practicable after dealings in the provisional allotments of Rights Shares commence. Such sales will, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or the number of Shares entered against their names in the Depository Register (as the case may be) as at the Books Closure Date and sent to them by means of a crossed cheque drawn on a bank in Singapore and **sent by ordinary post at their own risk** to their mailing addresses in the records of CDP, or in such other manner as they may have agreed with CDP for the payment of any cash distributions, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager, the Sponsor, CDP, the Share Registrar and/or their respective officers in connection therewith.

Where such provisional allotments of Rights Shares are sold “nil-paid” on the Catalist Board, they will be sold at such price or prices as the Company may, in its absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager, the Sponsor, CDP, the Share Registrar and/or their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be or are not sold on the Catalist Board as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be allotted and issued to satisfy excess applications for Rights Shares or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against Company, the Manager, the Sponsor, CDP, the Share Registrar and/or their respective officers in connection therewith.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the above, Entitled Shareholders and any other persons having possession of this OIS and/or its accompanying documents are advised to keep themselves informed of and to observe all legal requirements applicable thereto at their own expense and without liability to the Company. No person in any territory outside Singapore receiving this OIS and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without violating any regulatory or legal requirement in such territory.

Fractional entitlements to the Rights Shares will be disregarded in arriving at Shareholders' allotments and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and used to satisfy excess applications for Rights Shares (if any) or otherwise disposed or dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of excess Rights Shares, preference will, where appropriate, be given to the rounding of odd lots and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of the excess Rights Shares. The Company will not make any allotment and issue of Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders at a general meeting.

TRADING

1. Listing of and Quotation for the Rights Shares

A listing and quotation notice has been issued by the SGX-ST on 25 November 2014 for the dealing in, listing of and quotation for the Rights Shares on the Catalist Board, subject to certain conditions which include, *inter alia*, compliance with the SGX-ST's listing requirements. The listing and quotation notice granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company, its subsidiaries and their securities.

Upon the listing of and quotation for the Rights Shares on the Catalist Board, any trading of the Rights Shares on the Catalist Board will be under the book-entry (scripless) settlement system. For the purposes of trading on the Catalist Board, each board lot of Shares will comprise 1,000 Shares. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with CDP" and the "Terms and Conditions for CDP to act as Depository for the Rights Shares", as the same may be amended from time to time. Copies of the above are available from CDP.

2. Arrangements for Scripless Trading

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for excess Rights Shares and who wish to trade the Rights Shares issued to them on the Catalist Board under the book-entry (scripless) settlement system, should open and maintain Securities Accounts in their own names (if they do not already maintain such Securities Accounts) before accepting any Rights Shares or (if applicable) applying for any excess Rights Shares in order for the Rights Shares and (if applicable) the excess Rights Shares that may be allotted to them to be credited by CDP into their Securities Accounts.

Entitled Scripholders and their renounees who wish to accept the Rights Shares and/or apply for excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant form(s) comprised in the PAL.

Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the relevant form(s) comprised in the PAL differ from those particulars in their currently maintained Securities Accounts, will be issued physical share certificates in their own names for the Rights Shares and/or excess Rights Shares (as the case may be) allotted to them. Such physical share certificates, if issued, will be **sent by ordinary post at their own risk**, to their mailing addresses in Singapore as maintained with the Share Registrar within ten (10) Market Days after the Closing Date, but will not be valid for delivery pursuant to trades done on the Catalist Board under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

If an Entitled Scripholder's mailing address stated in the PAL is different from his mailing address maintained with the Share Registrar, he should promptly inform the Share Registrar of any changes to his address, failing which the notification letter on successful allotment and other correspondences will be sent to his last address as maintained with the Share Registrar.

A holder of physical share certificate(s) of the Company, or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the Catalist Board, must deposit his share certificate(s) with CDP, together with the duly executed instruments of transfer in favour of CDP, pay applicable fees and have his Securities Account credited with the number of Rights Shares or existing Shares (as the case may be) before he can effect the desired trade.

TRADING

3. Trading of Odd Lots

All fractional entitlements to the Rights Shares have been disregarded in arriving at the entitlements of the Entitled Shareholders and will, together with entitlements not allotted or taken up for any reason, be aggregated and issued to satisfy applications, if any, for excess Rights Shares or otherwise disposed or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

Shareholders should note that most counters on the Catalist Board trade in lot sizes of 1,000 shares. Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares (i.e. less than 1,000 Shares) and who wish to trade in odd lots on the Catalist Board should note that they are able to do so on the unit share market of the Catalist Board.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this OIS, statements made in public announcements, press releases and oral statements that may be made by the Company or its officers, employees and Directors acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or are forward-looking such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, operating results, business strategy, plans and future prospects of the Group’s industry are forward-looking statements. These forward-looking statements, including statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this OIS regarding matters that are not historical facts are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the known and unknown risks, uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this OIS, undue reliance must not be placed on these forward-looking statements. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company, the Manager, the Sponsor nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be as discussed in these forward-looking statements.

The Company, the Manager and the Sponsor disclaim any responsibility to update any of these forward-looking statements or publicly announce any revisions to these forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. Where such developments, events or circumstances occur after the lodgement of this OIS with the SGX-ST, acting as agent on behalf of the Authority but before the Closing Date and are materially adverse from the point of view of an investor, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via the SGXNET and, if required, lodge a supplementary or replacement document with the SGX-ST, acting as agent on behalf of the Authority.

The Company is also subject to the provisions of the Catalist Rules regarding corporate disclosure.

TAKE-OVER LIMITS

The Take-over Code regulates the acquisition of ordinary shares of, *inter alia*, corporations with a primary listing in Singapore, including the Company. Except with the consent of the SIC, where (i) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by parties acting in concert with him) carry 30% or more of the voting rights of the corporation; or (ii) any person who, together with parties acting in concert with him, holds not less than 30% but not more than 50% (both inclusive) of the voting rights in the corporation and such person, or any party acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights, such person must extend a mandatory take-over offer immediately to the shareholders for the remaining shares in the corporation in accordance with the provisions of the Take-over Code. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend a take-over offer.

In general, the acquisition of instruments convertible into securities which carry voting rights does not give rise to an obligation to make a mandatory take-over offer under the Take-over Code but the exercise of any conversion rights will be considered an acquisition of voting rights for the purposes of the Take-over Code.

Shareholders 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 the subscription of all or any of their respective entitlements of Rights Shares under the Rights Issue should consult the SIC and/or their professional advisors.

Depending on the level of subscription for the Rights Shares, the Company will, if necessary and upon approval of the Sponsor and/or SGX-ST, scale down a Shareholder's application to subscribe for the Rights Issue to (i) ensure that the relevant Shareholder does not hold a controlling interest in the Company, which is prohibited under Rule 803 of the Catalist Rules, unless prior approval of Shareholders is obtained in a general meeting; or (ii) avoid placing the relevant Shareholder and parties acting in concert with him/it (as defined in the Take-over Code) in the position of incurring a mandatory bid obligation under the Take-over Code as a result of other Shareholders not taking up their Rights Shares entitlements fully. For the avoidance of doubt, the option to scale down shall not apply to the Undertaking Shareholders' applications to subscribe for the Entitled Rights Shares.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

**PART II
IDENTITY OF DIRECTORS, ADVISORS AND AGENTS**

Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.

Name	Address	Position
Mr. Tony Tan Choon Keat	c/o 391A Orchard Road #21-05, Tower A Ngee Ann City Singapore 238873	Non-Executive Chairman
Dr. Beng Teck Liang	c/o 623 Aljunied Industrial Complex #07-06 Singapore 389835	Executive Director and Chief Executive Officer
Mr. Ho Lon Gee	15 Duchess Place Singapore 269056	Independent Director and Chairman, Audit Committee
Mr. Jimmy Yim Wing Kuen	9 Thomson Lane #42-06, Sky@Eleven Singapore 297726	Independent Director and Chairman, Nominating and Remuneration Committee

Advisors

2. Provide the names and addresses of:
- (a) the issue manager to the offer, if any;
 - (b) the underwriter to the offer, if any; and
 - (c) the legal advisor for or in relation to the offer, if any.

	Name	Address
Manager	Provenance Capital Pte. Ltd.	96 Robinson Road #13-01, SIF Building Singapore 068899
Underwriter	Not applicable as the Rights Issue is not underwritten	Not applicable
Legal advisor to the Company	Pinsent Masons MPillay LLP	16 Collyer Quay #22-00 Singapore 049318

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Registrars and Agents

- 3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable.**
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	Name	Address
Share Registrar and Transfer Agent	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd)	80 Robinson Road #02-00 Singapore 068898
Receiving Banker	CIMB Bank Berhad, Singapore Branch	50 Raffles Place #09-01, Singapore Land Tower Singapore 048623

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

**PART III
OFFER STATISTICS & TIMETABLE**

Offer Statistics

1. For each method of offer, state the number of securities being offered.

Method of offer	:	Renounceable non-underwritten rights issue of Rights Shares
Basis of allotment	:	One (1) Rights Share for every ten (10) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
Number of Rights Shares	:	Up to 25,093,500 Rights Shares to be issued by the Company based on the Existing Issued Share Capital as at the Latest Practicable Date
Issue Price	:	S\$0.153 for each Rights Share

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to:

- (a) the offer procedure; and
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.
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Please refer to paragraphs 3 to 7 of Part III of this OIS.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of this OIS, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.

Please refer to the section titled “**Expected Timetable of Key Events**” of this OIS.

The details of the procedures for, and the terms and conditions applicable to, acceptances, splitting, renunciations and/or sales of the provisional allotments of Rights Shares and/or for the applications for excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices I to III to this OIS and in the PAL, the ARE and the ARS.

As at the Latest Practicable Date, the Company does not expect the timetable under the section titled “**Expected Timetable of Key Events**” of this OIS to be modified. However, the Company may, upon consultation with the Manager and with the approval of the SGX-ST, the Sponsor and/or CDP, modify the timetable subject to any limitation under any applicable laws or regulations. In that event, the Company will publicly announce any change to the timetable through an SGXNET announcement to be posted on the SGX-ST’s website at <http://www.sgx.com>.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

4. **State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

The Rights Shares will be payable in full upon acceptance and/or application. Please refer to Appendices I, II and III of this OIS for details of the procedures for acceptance and/or application of, and payment for, the Rights Shares under the Rights Issue.

Please refer to the section titled “**Expected Timetable of Key Events**” of this OIS for the last date and time for payment of the Rights Shares and if applicable, excess Rights Shares.

5. **State where applicable, the methods of and time limits for:**
- (a) **the delivery of the documents evidencing title to the securities being offered (including temporary documents of title (if applicable) to subscribers or purchasers; and**
 - (b) **the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**

The Rights Shares will be provisionally allotted to Entitled Shareholders by crediting the provisional allotments to the Securities Accounts of Entitled Depositors or through the despatch of the relevant PALs to Entitled Scripholders.

In the case of Entitled Scripholders and their renounees with valid acceptances of Rights Shares and/or successful applications for excess Rights Shares and who have, *inter alia*, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form(s) comprised in the PAL, physical share certificates in their own names representing such number of Rights Shares and/or excess Rights Shares will be **sent by ordinary post and at their own risk**, to their mailing addresses in Singapore as maintained with the Share Registrar within ten (10) Market Days after the Closing Date.

In the case of Entitled Depositors, Purchasers and Entitled Scripholders and their renounees with valid acceptances of Rights Shares and/or successful applications for excess Rights Shares who have furnished valid Securities Account numbers in the relevant form(s) comprised in the PAL, share certificates representing such number of Rights Shares and/or excess Rights Shares will be registered in the name of CDP or its nominee and despatched to CDP within ten (10) Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their respective Securities Accounts. CDP will then send to the respective subscribers **by ordinary post and at their own risk**, to their mailing addresses in Singapore in the records of CDP, a notification letter stating the number of Rights Shares that have been credited to their respective Securities Accounts.

Please refer to Appendices I to III to this OIS and the PAL, the ARE and the ARS (as the case may be) for further details.

6. **In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**

Not applicable as there are no pre-emptive rights to subscribe for or purchase the securities being offered.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

7. Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding the excess amounts paid by applicants (including whether interest will be paid).
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Results of the Rights Issue

The Company will publicly announce, *inter alia*, the results of the Rights Issue as soon as practicable after the Closing Date through an SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

Manner of Refund

Entitled Depositors

If any acceptance of Rights Shares is invalid and/or if no excess Rights Shares are allotted to Entitled Depositors or if the number of excess Rights Shares allotted to them is less than that applied for, the amount paid on acceptance, application and/or the surplus application monies (as the case may be) will be returned or refunded by CDP, on behalf of the Company, to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date by:

- (a) crediting their bank accounts with the relevant Participating Banks at their own risk (if they accept and (if applicable) apply by way of an Electronic Application), the receipt by such bank being a good discharge to the Company, CDP and the Manager of their obligations, if any, thereunder; and/or
- (b) a crossed cheque drawn on a bank in Singapore and **sent by ordinary post at their own risk** to their mailing addresses in Singapore in the records of CDP, or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they accept and (if applicable) apply through CDP).

Entitled Scripholders

If any acceptance of Rights Shares is invalid and/or if no excess Rights Shares are allotted to Entitled Scripholders or if the number of excess Rights Shares allotted to them is less than that applied for, the amount paid on acceptance, application and/or the surplus application monies (as the case may be) will be returned or refunded by the Company, to such Entitled Scripholders, without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date by a crossed cheque drawn on a bank in Singapore and **sent by ordinary post and at their own risk** to their mailing addresses in Singapore as maintained with the Share Registrar.

Please refer to Appendices I to III to this OIS and the PAL, the ARE and the ARS (as the case may be) for further details.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

**PART IV
KEY INFORMATION**

Use of Proceeds from the Offer and Expenses Incurred

- 1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.**
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Please refer to paragraphs 2 to 7 of Part IV of this OIS.

- 2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**
-

In the Minimum Subscription Scenario, the Net Proceeds, after deducting estimated expenses of approximately S\$280,000 incurred in connection with the Rights Issue, are estimated to be approximately S\$1.8 million.

In the Maximum Subscription Scenario, the Net Proceeds, after deducting estimated expenses of approximately S\$280,000 incurred in connection with the Rights Issue, are estimated to be approximately S\$3.6 million.

All Net Proceeds will go to the Company.

- 3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.**
- 4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**
-

In the Minimum Subscription Scenario, gross proceeds amounting to approximately S\$2.0 million will be raised from the Rights Issue and after deducting estimated expenses of approximately S\$280,000 incurred in connection with the Rights Issue, Net Proceeds amounting to approximately S\$1.8 million will be raised from the Rights Issue.

The Company intends to utilise the Net Proceeds in the following manner:

- (a) approximately S\$1.0 million or 55.6% of the Net Proceeds to grow its existing medical specialist business; and
- (b) approximately S\$0.8 million or 44.4% of the Net Proceeds to strengthen the financial position of the Group by enlarging the Company's working capital and capital base.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Accordingly, under the Minimum Subscription Scenario, approximately S\$0.10 for each dollar raised from the Rights Issue will be applied towards the estimated expenses in connection with the Rights Issue, approximately S\$0.50 for each dollar raised from the Rights Issue will be applied towards growing the Company's existing medical specialist business and the balance of approximately S\$0.40 for each dollar raised will be used to strengthen the financial position of the Group by enlarging the Company's working capital and capital base.

After taking into consideration the Group's present banking facilities and the Net Proceeds, based on the Minimum Subscription Scenario, the working capital available to the Group will be sufficient to meet its present funding requirements.

In the Maximum Subscription Scenario, gross proceeds amounting to approximately S\$3.8 million will be raised from the Rights Issue and after deducting estimated expenses of approximately S\$280,000 incurred in connection with the Rights Issue, Net Proceeds amounting to approximately S\$3.6 million will be raised from the Rights Issue.

The Company intends to utilise the Net Proceeds in the following manner:

- (a) approximately S\$2.0 million or 55.6% of the Net Proceeds to grow its existing medical specialist business; and
- (b) approximately S\$1.6 million or 44.4% of the Net Proceeds to strengthen the financial position of the Group by enlarging the Company's working capital and capital base.

Accordingly, under the Maximum Subscription Scenario, approximately S\$0.05 for each dollar raised from the Rights Issue will be applied towards the estimated expenses in connection with the Rights Issue, approximately S\$0.53 for each dollar raised from the Rights Issue will be applied towards growing the Company's existing medical specialist business and the balance of approximately S\$0.42 for each dollar raised will be used to strengthen the financial position of the Group by enlarging the Company's working capital and capital base.

Any change to the use of the Net Proceeds will be subject to the Catalist Rules and appropriate announcements by the Company shall be made if necessary.

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit.

Based on the reasonable opinion of the Directors as at the Latest Practicable Date, there is no minimum amount which must be raised by the Rights Issue.

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5. **If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**
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Not applicable. The Net Proceeds will be used primarily for the purposes set out in paragraph 3 of Part IV of this OIS.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- 6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**

Not applicable. None of the Net Proceeds will be used to finance or refinance the acquisition of another business.

- 7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**

Not applicable. The Net Proceeds will not be used to discharge, reduce or retire the indebtedness of the Company or the Group.

- 8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the persons making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**

Not applicable as the Rights Issue is not underwritten and no underwriters, placement or selling agents are appointed for the Rights Issue.

Information on the Relevant Entity

- 9(a) Provide information on the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office).**

Registered office/ principal place of business	:	290 Orchard Road #13-01, The Paragon Singapore 238859
Telephone	:	+65 6836 1000
Facsimile	:	+65 6836 8385

- 9(b) Provide information on the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group.**

The Company, previously under the name of Lasik Club Pte. Ltd., was incorporated in the Republic of Singapore on 10 March 2005 under the Companies Act as a private company limited by shares. The Company changed its name to Singapore Medical Group Pte Ltd on 4 August 2006. On 9 July 2009, the Company was converted into a public company limited by shares and its name was changed to Singapore Medical Group Limited. The Company was listed on the Catalist Board of the SGX-ST on 23 July 2009.

The Group is principally engaged in the business of providing multi-disciplinary specialist healthcare services such as ophthalmology, aesthetic medicine, dental, orthopaedics, oncology, obstetrics and gynaecology.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

As at the Latest Practicable Date, the subsidiaries of the Company and their principal activities are as follows:

Name of subsidiary	Country of Incorporation and Place of Business	Principal activities	Effective equity Interest held (%)
Singapore Vision Centre Pte. Ltd.	Singapore	Provision of general ophthalmological services	100
Cancer Centre Pte. Ltd.	Singapore	Provision of oncology services	80
The Lasik Surgery Clinic Pte. Ltd.	Singapore	Provision of LASIK services	100
The Dental Studio Pte. Ltd.	Singapore	Provision of dental services	65
Singapore Lipo, Body & Face Centre Pte. Ltd.	Singapore	Provision of aesthetic services	100
SMG Specialist Centre Pte Ltd.	Singapore	Provision of multi-disciplined specialist medical services	100
SMG International Partners Pte. Ltd.	Singapore	Provision of business consultancy services	100
Singapore Eye & Cornea Transplant Centre Pte. Ltd.	Singapore	Dormant company	100
Premium Lasik Surgery Clinic Pte. Ltd.	Singapore	Dormant company	100
The Obstetrics & Gynaecology Centre Pte. Ltd.	Singapore	Provision of obstetrics and gynaecology services	100
The Medical Suite Pte. Ltd. (formerly known as Centre For Heart & Lung Surgery Pte. Ltd.)	Singapore	Provision of general medical practices	100
Centre For Eye Surgery Pte. Ltd.	Singapore	Dormant company	100
Centre for Joint & Cartilage Surgery Pte. Ltd.	Singapore	Dormant company	100
TOGC@Parkway East Hospital Pte. Ltd. ⁽¹⁾	Singapore	Provision of obstetrics and gynaecology services	77
PT Singapore Medical Group	Indonesia	Dormant company	65
Centre for Spine & Scoliosis Surgery Pte. Ltd.	Singapore	Dormant company	100
SMG Orthopaedic Group Pte. Ltd.	Singapore	Provision of general orthopaedic services	100
Centre for Wellness & Healthy Aging Pte. Ltd.	Singapore	Provision of health screening and aesthetic services	100
SMG Neuro Science Centre Pte. Ltd.	Singapore	Provision of neuro science surgery services	100

Note:

- (1) TOGC@Parkway East Hospital Pte. Ltd. ("PWE") has initiated creditors' voluntary winding-up proceedings by issuing the notice of extraordinary general meeting to the shareholders of PWE and the notice of creditors' meeting to the creditors of PWE on 3 December 2014.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- 9(c) Provide information on the general development of the business from the beginning of the period comprising the three (3) most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since:
- (i) the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or
 - (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published.
-

The general development of the business of the Group in the three (3) most recent completed financial years up to the Latest Practicable Date is set out below. Shareholders are advised to refer to the public announcements released by the Company via SGXNET and Part V of this OIS for further details.

General Developments in FY2011

On 24 February 2011, CSS, a wholly-owned subsidiary of the Company, was incorporated in Singapore. The principal activity of CSS is to provide surgical treatment of spinal disorders and deformities including scoliosis.

On 10 June 2011, SMGOG, an indirect wholly-owned subsidiary of the Company, was incorporated in Singapore. The principal activity of SMGOG is to market and promote the Company's Orthopaedics and Sports Cluster business.

On 7 July 2011, SMGIP, a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary in Hong Kong known as SMGHKL. SMGHKL was set up as an investment holding company for the Group's investments in the PRC.

On 8 September 2011, CWAHA, a wholly-owned subsidiary of the Company, was incorporated in Singapore. The principal activity of CWAHA is to act as a one-stop centre that employs evidence-based medical practices to provide a three-pronged customised approach to wellness, namely aesthetics appearance, physical health and healthy ageing.

On 28 December 2011, the Company entered into a subscription agreement with Kendall Court (Singapore) Pte. Ltd. (the "**Investor**"), whereby, subject to and upon the terms and conditions of the subscription agreement, the Company has agreed to allot and issue to the Investor, and the Investor has agreed to subscribe for, 25,516,644 RCPS at the issue price of S\$0.219 for each RCPS. The aggregate consideration for the RCPS is S\$5,588,145, and is payable in full on the completion date.

General Developments in FY2012

On 1 January 2012, SMGIC, a wholly-owned subsidiary of the Company, was incorporated in Singapore. The principal activity of SMGIC is to act as a medical insurance agent.

On 6 June 2012, pursuant to a novation deed entered amongst the Company, the Investor and KC, whereby the Investor novated the RCPS to KC, the Company allotted and issued 25,516,644 RCPS to KC.

On 8 October 2012, SMGHKL, a wholly-owned subsidiary of SMGIP which is a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Jing Hong Investment Co. Ltd, Beijing Jing Hong Hui Jin Investment & Management Co. Ltd, and Mei Gao Shi Technology & Development Co. Ltd (collectively, the "**JV Vendors**") to acquire from the JV Vendors, a 50% shareholding interest in Zhong Ji Shi Jia Co., Ltd (the "**JV Company**"), a company incorporated in the PRC in 2009, for a total cash consideration of RMB6,000,000.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

The JV Company, together with its subsidiary, provide medical related services in PRC and its subsidiary operates an eye surgery centre in Beijing, PRC which was launched in June 2012.

On 6 November 2012, SMGIP, a wholly-owned subsidiary of the Company, signed a cooperation agreement with Avrist in Jakarta, Indonesia (the “**Cooperation Agreement**”). Under the Cooperation Agreement, more than 1,000,000 Avrist customers in Indonesia are offered the ease of cashless payment systems in the Company and the Company’s network spread across Singapore.

On 27 December 2012, the Company announced that it has been informed by the Company’s controlling shareholders, FH and XB (together the “**Offer Vendors**”), that they have entered into a sale and purchase agreement dated 27 December 2012 with Q & M Dental Group (Singapore) Limited (the “**Offer Purchaser**” and the sale and purchase agreement, the “**S&P Agreement**”) for the acquisition by the Offer Purchaser of an aggregate of 105,767,700 Shares, representing approximately 72.57% of the Shares, from the Offer Vendors (the “**Proposed Acquisition**”).

The completion of the Proposed Acquisition was subject to the fulfilment and/or waiver of the conditions precedent as set out in the S&P Agreement and in compliance with Section 139 of the SFA and Rule 14 of the Take-over Code.

General Developments in FY2013

On 9 May 2013, the Company announced that the Offer Vendors have informed the Company that in accordance with clause 5.6 of the terms of the S&P Agreement, the Offer Purchaser was informed on 14 March 2013 that the representations and warranties which are part of the conditions precedent as set out in the S&P Agreement were not fulfilled (and the fulfillment of such conditions has not been waived by the parties). In particular, there had been a material change in the financial performance of the Company from the balance sheet date of 30 June 2012 to 31 December 2012, following the provision to the Offer Purchaser by the Offer Vendors of the results announcement of the Group for FY2012 which was announced on 1 March 2013. Subsequently, the audited financial statements dated 4 April 2013 (and approved by Shareholders on 30 April 2013) were made available to the Offer Purchaser. Under clause 10 of the S&P Agreement, the Offer Purchaser was entitled to terminate the S&P Agreement.

In light of the above, the Offer Purchaser and the Offer Vendors (the “**Parties**”) entered into negotiations to vary the consideration and other terms of the S&P Agreement. However, the Parties were unable to reach an agreement and the Parties thereafter mutually agreed to terminate the S&P Agreement. The Parties have agreed that the S&P Agreement had *ipso facto* ceased and all obligations and liabilities of the Parties shall cease to have effect and none of the Parties shall have any claims whatsoever against the other, their directors, officers, employees or representatives for costs, damages, compensation or otherwise.

On 29 August 2013, the Company announced that an ex-employee of SECTC (the “**Claimant**”), a subsidiary of the Company, has filed a notice of arbitration with the SIAC on 20 August 2013 against the Company and SECTC. Accordingly, the Company filed a response to the notice of arbitration on 3 September 2013.

There are disputes between the Company and the Claimant regarding various terms of the Claimant’s employment agreement with SECTC (the “**Employment Agreement**”) as well as the subscription and shareholders’ agreement entered into between the Claimant, the Company and SECTC (the “**SSA**”).

Under the terms of both the Employment Agreement and the SSA, the parties are to refer and resolve all disputes by arbitration in Singapore in accordance with the arbitration rules of SIAC.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

On 2 September 2013, the Company entered into a sale and purchase agreement (the “**SAC SPA**”) to dispose its entire equity interest in SAC, representing 70% of the total issued share capital of SAC, for a cash consideration of S\$255,000 (the “**Disposal**”) to be paid in full upon completion, to the shareholder of the remaining 30% shares of SAC. Following the Disposal, SAC ceased to be a subsidiary of the Company.

On 14 October 2013, CIMB Bank Berhad, Singapore Branch made an announcement (the “**Offer Announcement**”) on behalf of PB, that PB intends to make the Offer for all the Shares, other than those Shares which will not be tendered in acceptance under the Deed of Undertaking (as defined in the Offer Announcement), the BTL Deed of Undertaking (as defined in the Offer Announcement), and the RCPS (and any Shares arising from conversion) under the KC Deed of Undertaking in accordance with Section 139 of the SFA and Rule 15 of the Take-over Code, at an offer price of S\$0.1143546 for each Share, and subject to the terms and conditions set out in the offer document dated 28 October 2013 issued by CIMB Bank Berhad, Singapore Branch, for and on behalf of PB. The Offer was declared unconditional on 30 October 2013 and subsequently, the Company announced the close of the Offer on 25 November 2013.

On 31 October 2013, the Company announced that it has on 28 October 2013 appointed the sole arbitrator for the Arbitration Proceedings which it announced on 29 August 2013. The Company also announced that it will be filing a counterclaim estimated to be in excess of S\$1,700,000 against the Claimant in the Arbitration Proceedings and that the Claimant has estimated the quantum of his claim against the Company and SECTC to be in the region of S\$2,000,000.

On 29 November 2013, the Company entered into a loan facility agreement (“**Loan Facility Agreement**”) with BTL, a Substantial Shareholder of the Company, pursuant to which BTL agreed to grant to the Company an unsecured loan facility of the principal amount of up to S\$500,000 with simple interest accruing on the outstanding loan at a rate of 3.95% per annum to facilitate the working capital requirements of the Group.

On 2 December 2013, following the completion of the Offer, TT was appointed as the Non-Executive Director and Chairman of the Board and BTL was appointed as the Executive Director and Chief Executive Officer of the Company. On the same date, FH, XB, Mrs. See-Toh Wai Keong and Mr. Lew Foon Keong, Charles resigned as directors of the Company.

On 24 December 2013, the Company announced that it is intending to undertake a renounceable non-underwritten rights issue (the “**2013 Rights Issue**”) of up to 72,868,000 Shares (the “**2013 Rights Shares**”, and each, a “**2013 Rights Share**”) at an issue price of S\$0.105 for each 2013 Rights Share, on the basis of one (1) 2013 Rights Share for every two (2) existing Shares. The purpose of the 2013 Rights Issue is to raise additional funding for the Company to, *inter alia*, redeem the RCPS in entirety upon receipt of the notice of redemption served by KC and repay bank loans owing by the Company. The 2013 Rights Issue closed on 28 January 2014 and the Company subsequently announced on 3 February 2014 that valid acceptances and excess applications represent approximately 186.4% of the total number of 2013 Rights Shares available for subscription. On 5 February 2014, 72,868,000 2013 Rights Shares were allotted and issued pursuant to the 2013 Rights Issue.

General Developments from 1 January 2014 to the Latest Practicable Date

On 10 January 2014, the Company entered into a sale and purchase agreement (the “**XB SPA**”) to sell various ophthalmology equipment to XB for a cash consideration of S\$800,000. The sale was on an as-is-where-is basis and free from all encumbrances to XB upon XB’s payment of the cash consideration.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

On 14 January 2014, the Company announced that it has on 8 January 2014 entered into a non-binding memorandum of understanding with Ciputra Group, Indonesia, to establish the Ciputra SMG Eye Clinic in Ciputra Medical Centre, located in the Mall of Ciputra World 1, Lotte Shopping Avenue, Jakarta. Subsequently, on 30 April 2014, the Company announced that it had on 29 April 2014 entered into a joint venture agreement (the “**Ciputra Joint Venture Agreement**”) with PT. Ciputra Raya Sejahtera with the objective to operate an eye specialist clinic and possibly extend to any other specialist clinic in Jakarta, Indonesia. Pursuant to the Ciputra Joint Venture Agreement, the Company had subscribed to 4,400,000 (four million and four hundred thousand) shares in PT Ciputra SMG with nominal value of 4,400,000,000 Rupiah (four billion and four hundred million Rupiah) representing 40% of the total paid up shares in PT Ciputra SMG.

On 19 February 2014, the Company announced that a full and final settlement agreement has been entered into between the Claimant, the Company and SECTC on 18 February 2014 (the “**Settlement Agreement**”). Under the Settlement Agreement, the Company will acquire 49% equity shares of SECTC from the Claimant for a cash consideration of S\$800,000 and parties are to take such steps as may be appropriate and necessary to fully and finally discontinue the Arbitration Proceedings. Following the completion of the Settlement Agreement, SECTC became a wholly-owned subsidiary of the Company.

On 28 February 2014, the Company announced that it had received the notice of redemption from KC on 27 February 2014, requiring the Company to redeem the RCPS in entirety for a redemption sum of S\$7,140,000 and accrued cumulative preference dividends of S\$260,000. The said redemption amount has been fully settled by the Company on 28 February 2014, funded by the proceeds from the 2013 Rights Issue and the Group’s internal resources.

On 10 March 2014, Pierre-Alain Guillon was appointed as the Chief Operating Officer of the Company.

On 21 April 2014, SMGIP, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the “**SMGHKL SPA**”) with King Hung International Investment Limited to dispose its entire equity interest in SMGHKL, representing 50% of the total issued share capital of SMGHKL, for a cash consideration of S\$450,000 (the “**SMGHKL Disposal**”). Following the SMGHKL Disposal, SMGHKL ceased to be a subsidiary of the Group.

On 7 May 2014, the Company entered into a sale and purchase agreement (the “**TCC SPA**”) to acquire an additional 20% interest in The Cancer Centre Pte Ltd for a consideration of S\$900,000 from Dr. Wong Seng Weng. The consideration is satisfied by the issuance of 5,360,000 Shares at an issue price of S\$0.1679 (the “**Consideration Shares**”). On 15 May 2014, the Company announced that it has received the listing and quotation notice dated 12 May 2014 from the SGX-ST for the Consideration Shares. Subsequently, the Company announced on 20 May 2014 that the Consideration Shares have been issued and allotted to Dr. Wong Seng Weng. Following the acquisition, the Company owns 80% of the issued share capital of The Cancer Centre Pte Ltd.

On 14 May 2014, the Company entered into a sale and purchase agreement (the “**O&G SPA**”) to acquire an additional 35% interest in The Obstetrics & Gynaecology Centre Pte Ltd for a cash consideration of S\$240,000 from Dr. Chee Jing Jie. Following the acquisition, The Obstetrics & Gynaecology Centre Pte Ltd became a wholly-owned subsidiary of the Company.

On 22 July 2014, the Company announced that its flagship clinics, The Lasik Surgery Clinic in Singapore and the Ciputra SMG Eye Clinic in Jakarta, Indonesia would be the first private eye clinics in Singapore and in Jakarta, Indonesia respectively to offer the complete suite of refractive surgeries including the new laser vision corrective procedure, ReLEx SMILE, LASIK and Surface Ablations (Epi-LASIK and LASEK), addressing the different needs and profiles of patients.

On 14 August 2014, the Company announced that it has returned to profitability in HY2014 with a net profit of S\$369,000 compared to a net loss of S\$1,683,000 in HY2013. This also marks the Group’s positive turnaround since full year losses were reported for FY2011.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

On 17 September 2014, the Company announced that its flagship clinics, The Lasik Surgery Clinic is the first and only private healthcare provider to acquire the ZEISS Femtosecond Laser System and to offer the latest laser vision correction procedure, ReLEx SMILE (Refractive Lenticule Extraction, Small Incision Lenticule Extraction).

On 21 October 2014, the Company announced that it has entered into a shareholders' agreement (the "**MCM Shareholders' Agreement**") with MindChamps Holdings Pte Limited ("**MCH**", and together with the Company, the "**MCM Shareholders**") and MindChamps Medical Pte Limited ("**MCM**") to, *inter alia*, subscribe for 49% of the enlarged share capital of MCM for an aggregate subscription price of S\$100,000. The MCM Shareholders intend to operate and/or franchise MCM in the business of operating private general practitioner healthcare providers under the brand name "MindChamps Medical with SMG".

On 4 November 2014, the Company announced (a) that it has entered into placement agreements ("**Placement Agreements**") with each of the Subscribers pursuant to which the Company has agreed to issue an aggregate of 26,971,000 new Shares (the "**Placement Shares**") at a price of S\$0.162 (the "**Placement Price**") for each Placement Share (the "**Placement**"), and (b) the Rights Issue. The Company had on 11 November 2014 received the listing and quotation notice from the SGX-ST for the listing of and quotation for 26,971,000 Placement Shares on the Catalist Board. The 26,971,000 Placement Shares were subsequently allotted and issued on 14 November 2014.

On 25 November 2014, the Company announced that it had received the listing and quotation notice from the SGX-ST for the listing of and quotation for the Rights Shares on the Catalist Board.

On 26 November 2014, the Company announced that it has entered into a non-binding memorandum of understanding with the Leaders Cosmetics Division of Samsung Life & Science Co., Ltd in relation to a proposed joint venture in Singapore which will engage in the aesthetics and dermatology business and distribution of dermatological and cosmeceutical products in the South-East Asia region.

On 3 December 2014, the Company announced that PWE has initiated creditor's voluntary winding-up proceedings by issuing the notice of extraordinary general meeting to the shareholders of PWE and the notice of creditors' meeting to the creditors of PWE on 3 December 2014.

9(d) Provide information on the equity capital and the loan capital of the relevant entity as at the Latest Practicable Date, showing:

- (i) in the case of the equity capital, the issued capital; or**
 - (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon.**
-

As at the Latest Practicable Date, the equity capital and the loan capital of the Company are as follows:

Issued share capital	:	S\$15,675,002
Number of Shares in issue	:	250,935,000 Shares
Loan capital	:	Nil

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

9(e) Provide information on, where:

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or
- (ii) the relevant entity is not a corporation, the amount of equity interest in the relevant entity owned by each substantial interest-holder as at the latest practicable date.

As at the Latest Practicable Date, the Substantial Shareholders of the Company and the number of Shares they hold as recorded in the Register of Substantial Shareholders maintained by the Company pursuant to the Companies Act, are as follows:

Name	Direct Interest		Deemed Interest	
	Number of Shares	% of issued Shares ⁽²⁾	Number of Shares	% of issued Shares ⁽²⁾
Mr. Tony Tan Choon Keat	50,798,715	20.2	–	–
Silver Mines Global Limited ⁽¹⁾	38,484,285	15.3	–	–
Red Ancient Global Ltd. ⁽¹⁾	–	–	38,484,285	15.3
Dr. Ho Choon Hou ⁽¹⁾	–	–	38,484,285	15.3
Dr. Beng Teck Liang	44,655,000	17.8	–	–

Notes:

(1) As at the Latest Practicable Date:

(a) SM is a wholly-owned subsidiary of Red Ancient; and

(b) Red Ancient is wholly-owned by HCH.

Accordingly, each of Red Ancient and HCH is deemed to have an interest in the 38,484,285 Shares held by SM by virtue of Section 7(4A) of the Companies Act.

(2) Calculated on the basis that the total number of issued Shares is 250,935,000.

9(f) Provide information on any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the twelve (12) months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group.

As at the date of lodgement of this OIS, the Directors are not aware of any legal or arbitration proceedings which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of this OIS, a material effect on the financial position or profitability of the Group or of any facts likely to give rise to any such litigation or arbitration claim.

9(g) Provide information on, where any securities or equity interest of the relevant entity have been issued within the twelve (12) months immediately preceding the latest practicable date:

- (i) if the securities or equity interest have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interest issued at each price; or

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- (ii) if the securities or equity interest have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interest.
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Save as disclosed below, the Company has not issued any securities or equity interests within the 12 months immediately preceding the Latest Practicable Date.

The Company allotted and issued 72,868,000 2013 Rights Shares at an issue price of S\$0.105 on 5 February 2014 pursuant to the 2013 Rights Issue.

The Company allotted and issued 5,360,000 Consideration Shares at an issue price of S\$0.1679 on 19 May 2014 to Dr. Wong Seng Weng as consideration to acquire an additional 20% interest in its subsidiary, The Cancer Centre Pte Ltd.

The Company allotted and issued 26,971,000 Placement Shares at an issue price of S\$0.162 on 14 November 2014 pursuant to the Placement.

- 9(h) Provide a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of two (2) years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.**
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Save as disclosed below, none of the members of the Group has entered into any material contracts outside the ordinary course of business for the period of two (2) years immediately preceding the date of lodgement of this OIS:

- (a) the SAC SPA, a description of which is set out in paragraph 9(c) of Part IV of this OIS;
- (b) the Loan Facility Agreement, a description of which is set out in paragraph 9(c) of Part IV of this OIS;
- (c) the XB SPA, a description of which is set out in paragraph 9(c) of Part IV of this OIS;
- (d) the Settlement Agreement, a description of which is set out in paragraph 9(c) of Part IV of this OIS;
- (e) the Ciputra Joint Venture Agreement, a description of which is set out in paragraph 9(c) of Part IV of this OIS;
- (f) the SMGHKL SPA, a description of which is set out in paragraph 9(c) of Part IV of this OIS;
- (g) the TCC SPA, a description of which is set out in paragraph 9(c) of Part IV of this OIS;
- (h) the O&G SPA, a description of which is set out in paragraph 9(c) of Part IV of this OIS;
- (i) the MCM Shareholders' Agreement, a description of which is set out in paragraph 9(c) of Part IV of this OIS; and
- (j) the Placement Agreements, a description of which is set out in paragraph 9(c) of Part IV of this OIS.

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**PART V
OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

Operating Results

1. Provide selected data from:
 - (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the three (3) most recent completed financial years) for which that statement has been published; and
 - (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.
 2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:
 - (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
 - (b) earnings or loss per share; and
 - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.
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S\$'000	Audited			Unaudited	
	FY2011	FY2012	FY2013	HY2013	HY2014
Revenue	31,320	30,718	22,886	11,858	13,194
Cost of sales	(18,418)	(19,319)	(16,028)	(8,391)	(8,734)
Gross profit	12,902	11,399	6,858	3,467	4,460
Other items of income					
Finance income	1	9	28	13	12
Other income	173	179	426	89	181
Other items of expense					
Distribution and selling expenses	(3,204)	(2,097)	(1,414)	(783)	(762)
Administrative expenses	(10,927)	(9,831)	(8,145)	(4,100)	(3,602)
Other expenses	(222)	(195)	(1,288)	(28)	(2)
Financial expenses	(85)	(328)	(2,100)	(162)	(33)
Share of results of joint venture entity	–	–	(455)	(172)	99
Profit/(loss) before tax	(1,362)	(864)	(6,090)	(1,676)	353
Income tax (expense)/credit	282	4	(233)	(7)	16
Profit/(loss) for the year/period, representing total comprehensive income for the year/period	<u>(1,080)</u>	<u>(860)</u>	<u>(6,323)</u>	<u>(1,683)</u>	<u>369</u>
Total comprehensive income attributable to:					
Owners of the Company	(1,134)	(1,571)	(6,442)	(1,644)	136
Non-controlling interests	54	711	119	(39)	233
Earnings/(loss) per Share attributable to owners of the Company (cents)					
Basic	(0.8)	(1.1)	(4.4)	(1.1)	0.1
Diluted	(0.8)	(1.1)	(4.4)	(1.1)	0.1
Dividend per Share (cents)	<u>0.82</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
After the Rights Issue					
(Assuming Maximum Subscription Scenario)					
Earnings/(loss) per Share (cents)					
Basic	(0.7)	(0.9)	(3.8)	(1.0)	0.1
Diluted	(0.7)	(0.9)	(3.8)	(1.0)	0.1
(Assuming Minimum Subscription Scenario)					
Earnings/(loss) per Share (cents)					
Basic	(0.7)	(1.0)	(4.0)	(1.0)	0.1
Diluted	(0.7)	(1.0)	(4.0)	(1.0)	0.1

Notes:

- (1) The basic and diluted earnings/(loss) per Share for FY2011, FY2012, FY2013 and HY2013 are calculated by dividing the profit/(loss) for the year/period attributable to the owners of the Company by the weighted average number of ordinary Shares of 145,736,000 during the financial year/period. The basic and diluted profit/(loss) per Share of the Group are the same as there were no potential dilutive ordinary shares as at the respective financial year/period.

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- (2) The basic and diluted earnings per Share for HY2014 is calculated by dividing the net profit for the period attributable to the owners of the Company by the weighted average number of ordinary Shares in issue of 209,036,548. The diluted earnings per Share for HY2014 is calculated by dividing the net profit for the period attributable to owners of the Company by the weighted average number of ordinary Shares in issue of 217,354,128. The weighted average number of ordinary Shares for the computation of the diluted earnings per Share for HY2014 has taken into consideration the share options granted to the RCPS holder prior to the redemption.
- (3) The basic and diluted earnings/(loss) per Share after Rights Issue are calculated based on the assumption that the Rights Issue was completed at the beginning of each of the respective financial year/period and without taking into account the effects of the use of the Net Proceeds from the Rights Issue on the profit/loss of the Group.

Review of Past Performance

3. In respect of:

(a) each financial year (being one of the three (3) most recent completed financial years) for which financial statements have been published; and

(b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

Prior to 1 January 2014, the Group comprises the following key business clusters:

- (i) eye cluster (the “**Eye Cluster**”);
- (ii) aesthetics and wellness cluster (the “**Aesthetics and Wellness Cluster**”);
- (iii) critical illness cluster (the “**Critical Illness Cluster**”); and
- (iv) orthopaedics and sports cluster (the “**Orthopaedics and Sports Cluster**”),

(collectively, the “**Clusters**”).

From 1 January 2014, the Clusters have been consolidated into two business segments, namely Health (the “**Health Business**”) and Aesthetics (the “**Aesthetics Business**”).

FY2011 vs FY2012

The Group’s revenue declined by 1.9% from S\$31,320,000 for FY2011 to S\$30,718,000 for FY2012. The decrease was mainly due to the slowdown in the Eye Cluster and Aesthetics and Wellness Cluster and offset by the revenue growth in the Critical Illness Cluster and the Orthopaedics and Sports Cluster.

Gross profit decreased by 11.7% from S\$12,902,000 for FY2011 to S\$11,399,000 for FY2012 mainly due to the lower gross profit margins achieved for FY2012 as a result of changes in revenue contribution from different Clusters. The Eye Cluster and the Aesthetics and Wellness Cluster typically fetched higher gross profit margins as compared to the Critical Illness Cluster and the Orthopaedics and Sports Cluster.

Distribution and selling expenses reduced by 34.6% from S\$3,204,000 for FY2011 to S\$2,097,000 for FY2012 mainly due to the Group’s on-going efforts in consolidating the advertising and marketing activities across the Clusters for cost saving purposes.

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Administrative expenses declined by 10.0% from S\$10,927,000 for FY2011 to S\$9,831,000 for FY2012 mainly due to the decrease in staff related expenses and depreciation expenses.

Other expenses decreased by 12.2% from S\$222,000 for FY2011 to S\$195,000 for FY2012. The decrease was mainly due to the loss on disposal of property, plant and equipment of S\$140,000 in FY2011 whereas there was no such expense in FY2012. This decrease was partially offset by the increase in the business development expenses.

Financial expenses increased by 285.9% from S\$85,000 for FY2011 to S\$328,000 for FY2012 mainly due to accrued interest incurred on the RCPS which were issued in June 2012.

The Group registered an income tax credit for FY2012 as a result of deferred tax assets provided on tax losses and unclaimed capital allowances of certain subsidiaries offset by tax provision for profit making subsidiaries.

Overall, the Group registered a net loss after tax of S\$860,000 for FY2012 compared to a net loss after tax of S\$1,080,000 for FY2011.

The loss for FY2012 was mainly due to the increase in the losses of certain subsidiaries of the Company.

FY2012 vs FY2013

The Group's revenue declined by 25.5% from S\$30,718,000 for FY2012 to S\$22,886,000 for FY2013. The decrease was mainly due to the decrease in the revenue of the Eye Cluster, the Aesthetics and Wellness Cluster and the Orthopaedics and Sports Cluster as a result of less operating clinics in FY2013 as compared to FY2012. The decrease is partially offset by the revenue growth in the Critical Illness Cluster.

Gross profit decreased by 39.8% from S\$11,399,000 for FY2012 to S\$6,858,000 for FY2013 mainly due to the decrease in revenue. Furthermore, the gross profit margin dropped from 37.1% for FY2012 to 30.0% for FY2013 as a result of changes in revenue contribution from different Clusters. The Eye Cluster and the Aesthetics and Wellness Cluster typically achieve higher gross profit margins as compared to the Critical Illness Cluster and the Orthopaedics and Sports Cluster.

Distribution and selling expenses reduced by 32.6% from S\$2,097,000 for FY2012 to S\$1,414,000 for FY2013 mainly due to less operating clinics in FY2013 and substantial reduction in print media advertisements.

Administrative expenses declined by 17.1% from S\$9,831,000 for FY2012 to S\$8,145,000 for FY2013 mainly due to the decrease in staff cost including directors' remuneration.

Other expenses increased by 560.5% from S\$195,000 for FY2012 to S\$1,288,000 for FY2013. The increase was mainly due to the impairment charged on property, plant and equipment, impairment charged on the amount due from the China joint venture entity and impairment loss on investment in the China joint venture entity, whereas there was no such expenses in FY2012.

Financial expenses increased by 540.2% from S\$328,000 for FY2012 to S\$2,100,000 for FY2013 mainly due to (i) fair value loss of S\$1,556,000 arising from the embedded derivatives in the RCPS; and (ii) increase in the RCPS interest by S\$274,000 for FY2013 as the interest was accrued for one full year as compared to FY2012.

Despite the losses incurred for the year, the Group recognized an income tax charge of S\$233,000 mainly due to the reversal of deferred tax assets.

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Overall, the Group registered a net loss after tax of S\$6,323,000 for FY2013 compared to a net loss after tax of S\$860,000 for FY2012. The loss is after recognizing the following one-off charges as at year end: (i) charges relating to RCPS amounting to S\$1,830,000; (ii) losses relating to the China joint venture amounting to S\$1,132,000 which comprises impairment on investment and amount receivables from the joint venture entity; (iii) impairment loss on property, plant and equipment of S\$226,000; (iv) additional depreciation charge of S\$453,000 as a result of changing the estimated useful life of medical equipment from 10 years to 5 years; and (v) restructuring and corporate exercise related cost of approximately S\$420,000.

Excluding the above charges, the loss of the Group for FY2013 would be S\$2,262,000.

HY2013 vs HY2014

The Group's revenue increased by 11.3% from S\$11,858,000 for HY2013 to S\$13,194,000 for HY2014. The increase was due mainly to the increase in revenue of the Health Business.

Gross profit increased by 28.6% from S\$3,467,000 for HY2013 to S\$4,460,000 for HY2014 mainly due to the decrease in rental expenses.

Other income increased by 103.4% from S\$89,000 for HY2013 to S\$181,000 for HY2014 mainly due to the gains on disposal of property, plant and equipment and the wage credit scheme payout received from the government.

Administrative expenses declined by 12.1% from S\$4,100,000 for HY2013 to S\$3,602,000 for HY2014. This was mainly due to the cost control measures.

Financial expenses decreased by 79.6% from S\$162,000 for HY2013 to S\$33,000 for HY2014 mainly due to the redemption of the RCPS on 28 February 2014.

Overall, the Group achieved a net profit of S\$369,000 for HY2014 compared to a net loss of S\$1,683,000 in HY2013.

Financial Position

4. **Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of:**
 - (a) **the most recent completed financial year for which audited financial statements have been published; and**
 - (b) **if interim financial statements have been published for any subsequent period, that period.**

 5. **The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:**
 - (a) **number of shares after any adjustment to reflect the sale of new securities;**
 - (b) **net assets or liabilities per share; and**
 - (c) **net assets or liabilities per share after any adjustment to reflect the sale of new securities.**
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	Audited As at 31 December 2013 S\$'000	Unaudited As at 30 June 2014 S\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,979	2,039
Investment in joint venture entity	351	467
Other receivables	392	392
Deferred tax assets	199	224
	3,921	3,122
Current assets		
Inventories	758	828
Trade receivables	645	977
Prepayments	244	204
Other receivables	503	387
Cash and bank balances	4,573	3,701
	6,723	6,097
Total assets	10,644	9,219
EQUITY AND LIABILITIES		
Current liabilities		
Trade payables	1,473	1,558
Other payables and accruals	2,505	2,555
Obligations under finance leases	129	46
Redeemable convertible preference shares	7,124	–
Loans and borrowings	2,031	609
Income tax payable	126	178
	13,388	4,946
Non-current liabilities		
Obligations under finance leases	27	16
Loans and borrowings	57	1,035
Other accrual	186	186
Deferred tax liabilities	158	117
	428	1,354
Total liabilities	13,816	6,300
Net (liabilities)/assets	(3,172)	2,919
Equity attributable to owners of the Company		
Share capital	2,594	10,871
Accumulated losses	(7,186)	(8,395)
Equity component of redeemable convertible preference shares	371	–
	(4,221)	2,476
Non-controlling interests	1,049	443
Total equity	(3,172)	2,919
Total equity and liabilities	10,644	9,219

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For illustrative purposes only, the financial effects of the Rights Issue on the NAV per Share of the Group, which is based on the unaudited financial statements of the Group for HY2014 and after adjusting for the Placement are as follows:

As at 30 June 2014

NAV as at 30 June 2014 (S\$'000)	2,476
Add: net proceeds from the Placement (S\$'000)	4,209
Adjusted NAV as at 30 June 2014 after the Placement but before the Rights Issue (S\$'000)	6,685
Number of Shares as at 30 June 2014 before the Placement and Rights Issue	223,964,000
Add: Placement Shares	26,971,000
Adjusted number of Shares as at 30 June 2014 after the Placement but before the Rights Issue	250,935,000
Adjusted NAV per Share as at 30 June 2014 after the Placement but before the Rights Issue (cents)	2.7

	Maximum Subscription Scenario	Minimum Subscription Scenario
Adjusted NAV after the issue of the Rights Shares (S\$'000)	10,245	8,455
Adjusted number of Shares after the issue of the Rights Shares	276,028,500 ⁽¹⁾	264,328,799 ⁽²⁾
Adjusted NAV per Share after the issue of the Rights Shares (cents)	3.7	3.2

Notes:

(1) Assuming that 25,093,500 Rights Shares are issued.

(2) Assuming that 13,393,799 Rights Shares are issued.

Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of:
- (a) the most recent completed financial year for which financial statements have been published; and
 - (b) if interim financial statements have been published for any subsequent period, that period.
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	Audited FY2013 S\$'000	Unaudited HY2014 S\$'000
(Loss)/profit before tax	(6,090)	353
Adjustments for:		
Depreciation of property, plant and equipment	1,467	574
Gain on disposal of property, plant and equipment	(28)	(58)
Share-based compensation expense	6	–
Impairment loss on property, plant and equipment	226	–
Impairment loss on trade and other receivables	270	–
Impairment loss on investment in joint venture	872	–
Fair value loss on embedded derivatives	1,556	–
Interest income	(28)	(12)
Interest expense	544	33
Gain on disposal of a subsidiary	(244)	–
Gain on disposal of joint venture entity	–	(99)
Share of results of joint venture entity	455	–
Total adjustments	5,096	438
Operating cash flow before changes in working capital	(994)	791
Change in working capital		
Decrease/(increase) in:		
Inventories	(64)	(70)
Trade and other receivables	229	(216)
Prepayments	(102)	40
Increase/(decrease) in:		
Trade payables	224	86
Other payables and accruals	(244)	31
Total change in working capital	43	(129)
Cash flows (used in)/generated from operations	(951)	662
Interest received	28	12
Interest paid	(98)	(33)
Income taxes paid (net)	(235)	(27)
Net cash flows (used in)/generated from operating activities	(1,256)	614
Cash flows from investing activities		
Purchase of property, plant and equipment	(726)	(367)
Proceeds from disposal of property, plant and equipment	124	792
Repayment from/(advances to) joint venture	737	–
Investment in joint venture entity	(1,184)	(467)
Shareholder's loan provided to a joint venture entity	(494)	–
Disposal of subsidiary (net of cash disposed)	219	–
Acquisition of non-controlling interests	–	(1,040)
Proceeds from disposal of a joint venture entity	–	450
Net cash flows used in investing activities	(1,324)	(632)

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	Audited FY2013 S\$'000	Unaudited HY2014 S\$'000
Cash flows from financing activities		
Dividends paid to non-controlling interests	(75)	(198)
Proceeds from rights issue	–	7,377
Proceeds from loans and borrowings	350	1,500
Proceeds from finance lease upon refinancing	66	–
Redemption of RCPS	–	(7,495)
Repayment of loans and borrowings	(464)	(1,944)
Repayment under finance leases	(315)	(94)
Net cash flows used in financing activities	(438)	(854)
Net decrease in cash and cash equivalents	(3,018)	(872)
Cash and cash equivalents at the beginning of financial year/period	7,092	4,573
Cash and cash equivalents at the end of financial year/period	4,074	3,701

For the purposes of the consolidated cash flow statement, the cash and cash equivalents comprise the following:

Cash at bank	4,573	3,701
Less: bank overdraft	(499)	–
	4,074	3,701
Cash at bank represented by :		
Restricted cash	2,652	–
Unrestricted cash	1,921	3,701
	4,573	3,701

FY2013

The Group reported net cash used in operating activities of S\$1,256,000 mainly due to the operating loss after working capital changes of S\$951,000 and the net payments of interest and income tax of S\$305,000.

The Group reported net cash used in investing activities of S\$1,324,000 mainly due to the purchase of property, plant and equipment of S\$726,000, the acquisition of 50% equity interest in the China joint venture entity of S\$1,678,000 offset by the repayment of advance to the China joint venture entity of S\$737,000, proceeds from disposal of a subsidiary of approximately S\$219,000 and disposal of property, plant and equipment of S\$124,000.

Net cash used in financing activities of S\$438,000 was mainly due to the repayments of obligations under finance leases and bank borrowings.

HY2014

The Group reported net cash inflow of S\$614,000 from operating activities for HY2014 mainly due to the profit before tax of S\$353,000 generated for the period, adding back non-cash items of S\$438,000 and partially offset by working capital changes of S\$129,000 and the net payments of interest and income tax of S\$48,000.

Net cash used in investing activities of S\$632,000 was mainly due to the acquisition of property, plant and equipment, capital contributed for the 40% equity interest in the Ciputra-SMG joint venture, acquisitions of additional equity interests in the existing subsidiaries from the non-controlling interests and offset by the proceeds received from the disposal of property, plant and equipment and the China joint venture entity.

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Net cash used in financing activities of S\$854,000 was mainly due to the proceeds received from the 2013 Rights Issue and term loan secured during the period and offset by the redemption of RCPS and repayments of loans and borrowings.

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7. **Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgement of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**
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As at the date of lodgement of this OIS, the Directors are of the opinion that, taking into account the Group's present bank facilities, the working capital of the Group is sufficient for its present requirements.

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8. **If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide:**
- (a) **a statement of that fact;**
 - (b) **details of the credit arrangement or bank loan;**
 - (c) **any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement (if applicable)).**
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As at the Latest Practicable Date, the Company is not aware of any breach by the Company or any entity in the Group of any terms and conditions or covenants associated with any credit arrangement or bank loan, which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity.

Trend Information and Profit Forecast or Profit Estimate

9. **Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**
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Save as disclosed below and in this OIS, the Company's annual reports, circulars and SGXNET announcements, the Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this OIS to be not necessarily indicative of the future operating results or financial condition.

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Business and Financial Prospects of the Group for the Current Financial Year

The Group will continue to invest and grow its existing business verticals and introduce new and relevant medical technologies when opportunities arise locally or in overseas markets. The Company has a clear strategy to grow the Aesthetics Business, improving its current operation structure with the aim of expanding its market share and enhancing its revenue stream. In parallel, the Company intends to build a primary healthcare business both via organic growth and by developing joint ventures with business partners that would create synergy.

The above expansions are aimed at strengthening the Group's business model and achieve a stable long-term return. However, short-term cost pressures will be expected during the ramping up stage of these investments.

To the best of the Directors' knowledge and belief, all the risk factors that are material to prospective investors in making an informed judgment on the Rights Issue (save for those which have already been disclosed to the general public) are set out below.

Prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this OIS before deciding whether to invest in the Rights Shares and/or Shares. The Group could be affected by a number of risks that may relate to the industry and countries in which the Group operates as well as those that may generally arise from, inter alia, economic, business, market and political factors, including the risks set out herein.

The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business, results of operations, financial condition and prospects of the Group could be materially and adversely affected. In that event, the trading price of the Shares and/or Rights Shares could decline, and investors may lose all or part of their investment in the Shares and/or the Rights Shares.

The Group's past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance.

RISK FACTORS

RISKS RELATING TO THE GROUP'S BUSINESS AND THE INDUSTRY IN WHICH THE GROUP OPERATES

The Group is subject to regulations and licensing requirements for its operations

The Group and its healthcare professionals are subject to government laws and regulations in Singapore, including for example, the Private Hospitals and Medical Clinics Act, the Medical Registration Act, the Dental Registration Act and the Nurses and Midwives Act. Any adverse changes in such laws and regulations or the introduction of new applicable laws and regulations could result in, among others, more stringent requirements and an increase in compliance costs, which could materially and adversely affect the Group's business, financial condition and results of operations.

Further, the relevant authorities such as the Ministry of Health and the Singapore Medical Council may suspend or deny renewal of licenses in respect of the Group's business operations and healthcare professionals if they determine that the Group and its healthcare professionals do not meet the applicable standards, which could also materially and adversely affect the Group's business, financial condition and results of operations.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

The Group is dependent on its continued ability to attract and retain specialist medical practitioners

The Group's business operations comprise primarily of the provision of specialist healthcare services. The Group's market presence and reputation are dependent on the skills and experience of its specialist medical practitioners. Most of the Group's Medical Directors and Dental Directors are employed on fixed term contracts and there is no assurance that they will renew their employment with the Group upon the expiry of their respective employment contracts. Some of the Group's other specialist medical practitioners are visiting consultants and there is no assurance that they will continue to be the Group's visiting consultants. Further, the Group may not be able to successfully attract and recruit highly qualified specialist medical practitioners in the future in line with the Group's expansion plans. Any loss of the services provided by any of the Group's specialist medical practitioners without suitable and timely replacements or an inability to attract and recruit highly qualified specialist medical practitioners could materially and adversely affect the Group's business, financial condition and results of operations.

The Group is dependent on its continued ability to retain their key management personnel

The Group's continued success is highly dependent on its continued ability to retain its key management personnel including its Chief Executive Officer, BTL, and its Chief Financial Officer, Ms. Wong Sian Jing. Together, the Chief Executive Officer and the Chief Financial Officer are responsible for formulating and implementing the Group's growth, corporate development and overall business strategies. Any loss of the services provided by any of the Group's key management personnel without suitable and timely replacements or an inability to attract and recruit highly qualified management personnel could materially and adversely affect the Group's business, financial condition and results of operations.

The Group may not be able to compete successfully with its competitors

The specialist healthcare services industry in Singapore is highly competitive. The Group faces competition from existing specialist healthcare services providers from both the public and private sectors, some of whom may have longer operating histories, greater brand recognition and/or greater financial resources.

The Group's continued success is highly dependent on its continued ability to compete effectively against its competitors. With the potential influx of new entrants to the specialist healthcare services industry and more intense competition from existing competitors, there is no assurance that the Group will be able to maintain and/or grow its market share. There can also be no assurance that the Group will be able to compete effectively against its competitors in the future due to various reasons including possible pricing wars and its inability to contain its operating costs and these could materially and adversely affect the Group's business, financial condition and results of operations.

The Group is exposed to the risk of complaints, potential litigation and professional liability

The Group is a specialist healthcare services provider and is exposed to the risk of receiving complaints or having complaints and/or allegations made against it, litigation and potential liability arising from the conduct of its business and the performance of its services. Complaints, allegations and legal actions, with or without merit, may be made or taken against it and/or its healthcare professionals in relation to, *inter alia*, its services, the marketing activities it conducts, negligence or medical malpractice. Such complaints, allegations and legal actions, regardless of their validity, may lead to negative publicity, which may affect the number of patients visiting the Group's medical clinics. There is also no assurance that there will not be any medical and legal claims against the Group that are in excess of the amount covered by its insurance policies or that such insurance policies are comprehensive and cover all types of claims.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Further, the Group and its healthcare professionals may also be subject to disciplinary actions from the relevant governing professional bodies which could result in fines and/or suspension or revocation of licences. Accordingly, the occurrence of any of the foregoing could materially and adversely affect the Group's professional standing, business, financial condition and results of operations.

The Group may suffer material losses in excess of insurance proceeds

The Group's medical clinics and medical equipment face the risks of suffering physical damage caused by fire, natural disasters or other causes, which could disrupt its business operations. Further, the Group's medical clinics also face the risks of potential public liability claims. There is no assurance that there will not be any such damage or liability claims that are in excess of the amount covered by the Group's insurance policies or that such insurance policies are comprehensive and cover all types of claims. Accordingly, the occurrence of any of the foregoing could materially and adversely affect the Group's business, financial condition and results of operations.

The Group's medical clinics are subject to lease renewals and relocation risks, which may cause disruption to its operations

Currently, the Group leases the premises of all of its medical clinics. Most of the Group's present lease terms for its properties are for a period of three (3) years. Upon the expiry of such lease terms, the landlords have the right to review and revise the terms and conditions of such lease agreements. The Group faces the risk of an increase in rental or not being able to renew the leases on terms and conditions favourable to it or at all. Any increase in rental or relocation would increase the Group's operating expenses. Further, in the event that the Group's existing lease agreements are not renewed upon its expiry and alternative locations cannot be found in a timely manner or at all, it may have to suspend the operations of affected medical clinics. Accordingly, the occurrence of any of the foregoing could materially and adversely affect the Group's business, financial condition and results of operations.

The Group cannot give assurance that its expansion plans will be successful

The Group intends to expand its business operations in Singapore, as well as in other countries. Such expansion plans may involve the setting up of new business units and medical clinics, expansion of existing medical facilities and entering into joint ventures, which may require significant funding. In the event the Group does not have sufficient internal funds available and is not able to secure third party financing on acceptable terms or at all to fund such expansion plans, it may not be able to proceed with its expansion plans.

Rapid growth in the Group's operations will also place additional demands on its management team. There can be no assurance that the Group's expansion plans can be implemented successfully and that the Group will be able to recruit and retain sufficient numbers of high quality management and staff to manage any additional operations. In addition, any new business units, medical clinics or joint ventures would require an incubation period, and during this phase, results are not guaranteed and the returns from these new business units, medical clinics or joint ventures may be limited because of unforeseen events, difficulties and complications. Any expansion plan which is not implemented successfully may have an adverse effect on the Group's financial position.

The Group's current experience stems primarily from the provision of specialist healthcare services in Singapore. However, the overseas markets that the Group intends to expand into in the future may differ from the Singapore market in terms of, *inter alia*, consumer preferences and demands, regulatory requirements and operating costs. Accordingly, the Group may not be able to fully capitalise on its current experience to successfully implement its business expansion plans.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

The Group is subject to the general risk of doing business overseas

The Group currently has overseas operations in Indonesia by way of a joint venture. Depending on the availability of business opportunities, the Group may further expand its business overseas in the future. There are inherent general risks in doing business overseas. These general risks include unexpected changes in regulatory requirements (including permits and licences), difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainty regarding liability, tariffs and other trade barriers, variable and unexpected changes in local law and barriers to the repatriation of capital or profits, any of which could materially affect the overseas operations. These risks, if materialized, may affect the Group's business and financial condition. In addition, if the government in the jurisdictions in which the Group intends to expand its business tighten or otherwise adversely change their laws and regulations relating to the repatriation of their local currency, it may affect the ability of the overseas operations to repatriate profits to the Company and, accordingly, the Company's cash flows will be adversely affected.

The Group is subject to risks associated with technological changes

The specialist healthcare services industry, particularly in the field of refractive surgery, is heavily dependent on medical technology. As a result, the Group may be exposed to changes in technology in the fields in which it operates, including alternative technologies and processes, medical equipment and other products that may be more effective, easier to use or more economical than the technology currently utilised by it. There can therefore be no assurance that the technology, including the processes and medical equipment used by the Group, will not become obsolete or that it will be able to acquire alternative technologies and processes. This could materially and adversely affect the Group's business, financial condition and results of operations.

The Group is exposed to risks in respect of outbreaks of influenza A (H1N1), bird flu, Ebola disease, virus and/or other communicable and virulent diseases

An outbreak of influenza A (H1N1), bird flu, Ebola disease, virus and/or other communicable diseases in Singapore and the region could materially and adversely affect the Group's business, financial conditions and results of operations. In the event that an outbreak occurs at any of the Group's facilities, it may be required to temporarily suspend part of its operations and/or quarantine all affected employees. Further, outbreaks of communicable diseases could result in a reduced demand for the healthcare services provided by the Group and negative public opinion of medical facilities, which could materially and adversely affect the Group's business, financial condition and results of operations.

RISKS RELATING TO THE SHARES AND THE RIGHTS SHARES

Investments in securities quoted on the Catalist Board involve a higher degree of risk and can be less liquid than shares quoted on the Mainboard of the SGX-ST

The Company is currently listed on the Catalist Board, a listing platform designed primarily for fast-growing and emerging or smaller companies to which a higher investment risk tends to be attached as compared to larger or more established companies listed on the Mainboard of the SGX-ST. In particular, companies may list on the Catalist Board without a track record of profitability and there is no assurance that there will be a liquid market in the securities traded on the Catalist Board. Entitled Shareholders should be aware of the risks of subscribing for the Rights Shares and should make the decision to subscribe for the Rights Shares only after careful consideration and, if appropriate, consultation with an independent financial advisor.

An active trading market for the Shares may not develop and their trading price may fluctuate significantly

There can be no assurance that there will be a liquid market for the Shares and the market price and liquidity of the Shares may be adversely affected.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

The Issue Price may not necessarily be indicative of the market price of the Shares after the Rights Issue is complete. The prices at which the Shares will trade after the Rights Issue will be determined by the market and could be influenced by many factors, including:

- (i) the Group's financial results;
- (ii) the Group's history and prospects and those of the industry in which it competes;
- (iii) an assessment of the Group's management, its past and present operations, and the prospects for, and timing of, its future revenue and cost structures;
- (iv) the present state of the Group's development;
- (v) the valuation of publicly-traded companies that are engaged in business activities similar to the Company; and
- (vi) any volatility in the securities markets of Singapore.

Shareholders may not be able to resell their Shares at or above the Issue Price and, as a result, may lose all or part of their investment.

External factors could affect the trading price of the Shares

The market price of the Shares may fluctuate significantly and rapidly as a result of many factors including, *inter alia*, the following, some of which are beyond the Company's control:

- (i) variation in the Group's results of operations;
- (ii) changes in securities analysts' estimates of the results of operations and recommendations;
- (iii) announcements by the Company of significant contracts, acquisitions, strategic alliances or joint ventures or capital commitments;
- (iv) additions or departures of key personnel;
- (v) fluctuations in stock market prices and volume;
- (vi) involvement in litigation;
- (vii) general economic and stock market conditions; and
- (viii) discrepancies between its actual operating results and those expected by investors and securities analysts.

If there is significant volatility in the price of the Shares following the Rights Issue, Shareholders may lose all or part of their investment, and securities litigation may be brought against the Company

Following the Rights Issue, the price at which the Shares will trade may be volatile. The stock markets have from time to time experienced significant price and volume fluctuations that have affected the market prices of securities. These fluctuations often have been unrelated or disproportionate to the operating performance of publicly-traded companies. In the past, following periods of volatility in the market price of a particular company's securities, securities litigation has sometimes been brought against that company. If similar litigation is instituted against the Group, it could result in substantial costs and divert management's attention and resources from its core business, which could materially and adversely affect the Group's business, financial condition and results of operation.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

New investors will incur immediate dilution in NAV per Share

The Issue Price of the Rights Shares is substantially higher than the Company's adjusted NAV per Share based on the enlarged issued share capital of the Company after completion of the Rights Issue. New investors who purchase or subscribe for the Rights Shares will therefore experience immediate and significant dilution ranging from approximately 11.6 cents to 12.1 cents per Rights Share, depending on the number of Rights Shares issued. If the Company is liquidated based on the NAV immediately following the Rights Issue, each new investor who purchased the Rights Shares would receive less than the price they paid for their Rights Shares.

Issue of Shares by the Company and sale of Shares by the existing Shareholders may adversely affect the price of the Shares

In the event the Company issues or Shareholders sell substantial amounts of their Shares in the public market following the Rights Issue, the price of the Shares may be adversely affected. Such issues or sales may also make it difficult for the Company to issue new Shares and raise the necessary funds in the future at a time and price the Company deems appropriate.

There will be no restriction on the ability of the Substantial Shareholders to sell their Shares either on Catalist Board or otherwise.

Certain transactions may dilute the ownership of holders of the Shares

As a result of adjustments from stock splits and combinations, stock dividends, extraordinary dividends, rights offerings, certain issuances of new Shares and certain other actions the Company may take to modify its capital structure, Shareholders may experience a dilution in their ownership of the Shares. There can be no assurance that the Company will not take any of the foregoing actions, and such actions in the future may adversely affect the market price of the Shares.

Negative publicity including those relating to any of the Directors, Executive Officers or Substantial Shareholders may adversely affect the Share price

Negative publicity or announcements relating to any of the Directors, executive officers of the Company or Substantial Shareholders may adversely affect the market perception of the Group or the performance of the price of the Shares, whether or not justified. For instance, such negative publicity may arise from unsuccessful attempts in joint ventures, acquisitions or take-overs, or involvement in insolvency proceedings.

Shareholders who do not or are not able to accept their provisional allotment of Rights Shares will experience a dilution in their interest in the Group

If Shareholders do not or are not able to accept their provisional allotment of Rights Shares, their proportionate interest in the Company will be reduced after the Rights Issue. They may also experience a dilution in the value of their Shares. Even if a Shareholder sells his Rights, or such Rights are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his interest in the Company as a result of the Rights Issue.

An active trading market may not develop for the Rights and, if a market does not develop, the Rights may be subject to greater price volatility than the Shares

A trading period for the Rights has been set. Please refer to the section titled "**Expected Timetable of Key Events**" of this OIS for more details. There is no assurance that an active trading market for the Rights on the Catalist Board will develop during the Rights trading period. Even if active markets develop, the trading price of the Rights, which depends on the trading price of the Shares, may be volatile. In addition, the market price of the Rights may not reflect their actual value.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Investors may not be able to participate in future issues of the Shares

In the event that the Group issues new Shares, it will be under no obligation to offer those Shares to its existing Shareholders at the time of issue, except where it elects to conduct a rights issue. In addition, the Group may not offer such Rights to its existing Shareholders having an address in jurisdictions outside Singapore.

Accordingly, holders of the Shares may be unable to participate in future offerings of the Shares and may experience a dilution of their holdings as a result.

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- 10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**
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Not applicable. No profit forecast is disclosed in this OIS.

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- 11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**
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Not applicable. No profit forecast is disclosed in this OIS.

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- 12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**
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Not applicable. No profit forecast is disclosed in this OIS.

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- 13. Where a profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part:**

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or**
 - (b) a statement by an auditor of the relevant party, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.**
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Not applicable. No profit forecast is disclosed in this OIS.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part:
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
 - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. No profit forecast is disclosed in this OIS.

Significant Changes

15. Disclose any event that has occurred from the end of:
- (a) the most recent completed financial year for which financial statements have been published; or
 - (b) If interim financial statements have been published for any subsequent period, that period,
- to the latest practicable date which may have a material effect on the financial position and results of the relevant party or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.**

Save as disclosed in this OIS and the Company's annual reports, circulars and SGXNET announcements, the Directors are not aware of any event which has occurred since 1 July 2014 up to the Latest Practicable Date which has not been publicly announced and which may have a material effect on the financial position and results of the Group.

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16. In this Part, "published" includes publication in a prospectus, in an annual report or on the SGXNET.
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Noted.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART VI OFFER AND LISTING

Offer and Listing Details

1. **Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, the method by which the offer price is to be determined must be explained.**

The Issue Price is S\$0.153 for each Rights Share, payable in full on acceptance and/or application.

The expenses incurred in connection with the Rights Issue will not be specifically charged to subscribers of the Rights Shares.

An administrative fee will be charged by the relevant Participating Banks for each Electronic Application.

2. **If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**

Not applicable. The Shares are traded on the Catalist Board.

3. **If:**
- (a) **any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and**
 - (b) **the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

No Shareholder has pre-emptive rights to subscribe for the Rights Shares.

As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions outside Singapore, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the section titled "**Eligibility of Shareholders to Participate in the Rights Issue**" of this OIS for further information.

4. **If securities of the same class as those securities being offered are listed for quotation on any securities exchange:**
- (a) **in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least twelve (12) months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities:**
 - (i) **for each of the twelve (12) calendar months immediately preceding the calendar month in which the latest practicable date falls; and**

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or
- (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than twelve (12) months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities:
 - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
- (c) disclose any significant trading suspension that has occurred on the securities exchange during the three (3) years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than three (3) years, during the period from the date on which the securities were first listed to the latest practicable date; and
- (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.

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- (a) The price range and volume of the Shares traded on the SGX-ST for each calendar month preceding the Latest Practicable Date and for the period from 1 December 2014 to the Latest Practicable Date are as follows:

Month	Price Range		Volume
	High (S\$)	Low (S\$)	('000)
December 2013	0.118	0.118	9,395
January 2014	0.164	0.101	59,010
February 2014	0.162	0.134	56,748
March 2014	0.159	0.137	16,648
April 2014	0.183	0.152	7,803
May 2014	0.185	0.170	7,101
June 2014	0.200	0.183	7,837
July 2014	0.199	0.176	1,292
August 2014	0.192	0.177	2,256
September 2014	0.195	0.183	1,442
October 2014	0.189	0.171	498
November 2014	0.181	0.160	3,256
1 December 2014 to the Latest Practicable Date	0.160	0.154	265

Source: Bloomberg L.P.⁽¹⁾

(1) Bloomberg L.P. has not consented for the purposes of Sections 249 and 277 of the SFA to the inclusion of the information above which is publicly available, and is thereby not liable for these statements under Section 253 and Section 254 of the SFA. The Company has included the above information in its proper form and context and has not verified the accuracy of the content of these statements. The Company is not aware of any disclaimers made by Bloomberg L.P. in relation to these quotes.

- (b) Not applicable as the Shares have been listed and quoted for more than twelve (12) months immediately preceding the Latest Practicable Date.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (c) There has been no significant trading suspension that has occurred on the SGX-ST during the three (3) years immediately preceding the Latest Practicable Date.
- (d) Please refer to paragraph 4(a) of Part VI of this OIS for the volume of Shares traded during each calendar month immediately preceding the Latest Practicable Date and for the period from 1 December 2014 to the Latest Practicable Date.

5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide:

- (a) **a statement of the rights, preferences and restrictions attached to the securities being offered; and**
- (b) **an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or pari passu with the securities being offered.**

Not applicable. The Rights Shares, when allotted and issued, will rank pari passu in all respects with the then existing issued Shares for any dividends, rights, allotments or other distributions that may be declared or paid on the Record Date so long as the Record Date falls on or after the date of issue of the Rights Shares.

The Rights Shares are to be issued pursuant to the existing general mandate approved by Shareholders at the annual general meeting of the Company held on 30 April 2014.

Plan of Distribution

6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

The Rights Issue is made on a renounceable non-underwritten basis to Entitled Shareholders at an Issue Price of S\$0.153 for each Rights Share, on the basis of one (1) Rights Share for every ten (10) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

The Rights Shares, when allotted and issued, will rank pari passu in all respects with the then existing issued Shares for any dividends, rights, allotments or other distributions that may be declared or paid on the Record Date so long as the Record Date falls on or after the date of issue of the Rights Shares.

In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots. Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.

Entitled Shareholders will be at liberty to accept (in full or in part), decline, renounce or in the case of Entitled Depositors, trade on the Catalist Board during the Rights trading period prescribed by the SGX-ST, their provisional allotments of Rights Shares and are eligible to apply for additional Rights Shares in excess of their provisional allotments of Rights Shares under the Rights Issue.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, and upon approval of the Sponsor and/or SGX-ST, scale down a Shareholder's application to subscribe for the Rights Issue to (i) ensure that the relevant Shareholder does not hold a controlling interest in the Company, which is prohibited under Rule 803 of the Catalist Rules, unless prior approval of Shareholders is obtained in a general meeting; or (ii) avoid placing the relevant Shareholder and parties acting in concert with him/it (as defined in the Take-over Code) in the position of incurring a mandatory bid obligation under the Take-over Code as a result of other Shareholders not taking up their Rights Shares entitlements fully. For the avoidance of doubt, the option to scale down shall not apply to the Undertaking Shareholders' applications to subscribe for the Entitled Rights Shares.

The Rights Issue will not be underwritten and will not be offered through any broker or dealer.

As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions outside Singapore, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the section titled "**Eligibility of Shareholders to Participate in the Rights Issue**" of this OIS for further details.

In view of the Irrevocable Undertakings provided by the Undertaking Shareholders, the Company has decided to proceed with the Rights Issue on a non-underwritten basis, and no placement or selling agents have been appointed in relation to the Rights Issue. Please refer to paragraph 1(f) of Part X of this OIS for further details on the Irrevocable Undertakings.

7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.

Not applicable. The Rights Issue is not underwritten. However, please refer to paragraph 1(f) of Part X of this OIS below for details of the Irrevocable Undertakings.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

**PART VII
ADDITIONAL INFORMATION**

Statements by Experts

1. **Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**

Not applicable. No statement or report attributed to a person as an expert is included in this OIS.

2. **Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert:**

- (a) **State the date on which the statement was made;**
- (b) **State whether or not it was prepared by the expert for the purposes of incorporation in the offer information statement; and**
- (c) **Include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**

Not applicable. No statement or report made by an expert is included in this OIS.

3. **The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**

Not applicable.

Consents from Issue Managers and Underwriters

4. **Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**

The Manager has given and has not, before the lodgement of this OIS, withdrawn its written consent to being named in this OIS as the Manager of the Rights Issue. No underwriter has been appointed in relation to the Rights Issue.

Other Matters

5. **Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly:**

- (a) **the relevant entity's business, operations or financial position or results; or**
- (b) **investments by holders of securities in the relevant entity.**

Save as disclosed in this OIS and the Company's annual reports, circulars and SGXNET announcements, the Directors are not aware of any event which has occurred which may materially affect, directly or indirectly (a) the Group's business, operations or financial position or results; or (b) investments by holders of securities in the Group.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

**PART VIII
ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES
OR UNITS OF DEBENTURES**

Not applicable.

**PART IX
ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES**

Not applicable.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

**PART X
ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES
BY WAY OF RIGHTS ISSUE**

1. Provide –

(a) the particulars of the Rights Issue;

Number of Rights Shares to be issued : Up to 25,093,500 Rights Shares.

Basis of Provisional Allotment : One (1) Rights Share for every ten (10) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

Issue Price : S\$0.153 for each Rights Share, payable in full on acceptance and/or application.

The Issue Price represents a discount of: (i) 15% to the closing price of S\$0.180 per Share on the Catalist Board on 31 October 2014, being the preceding full market day prior to the date of announcement of the Rights Issue on 4 November 2014; and (ii) approximately 14% to the theoretical ex-rights price of S\$0.178 per Share.

Acceptance, excess applications and payment procedures : Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or in the case of Entitled Depositors, trade their provisional allotments of Rights Shares on the Catalist Board during the provisional allotment trading period prescribed by the SGX-ST and will be eligible to apply for excess Rights Shares.

Provisional allotments of the Rights Shares which are not taken up or allotted for any reason to be used to satisfy excess applications for Rights Shares (if any) or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit.

In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots. Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- The Company will not make any allotment and issue of any excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.
- Listing of the Rights Shares : On 25 November 2014, the SGX-ST granted the listing and quotation notice for the dealing in, listing of and quotation for the Rights Shares on the Catalist Board, subject to compliance with the SGX-ST's listing requirements.
- The listing and quotation notice granted by the SGX-ST is not to be taken an indication of the merits of the Rights Issue, the Rights Shares, the Company, its subsidiaries and their securities.
- Trading of the Rights Shares : Upon the listing of and quotation for the Rights Shares on the Catalist Board, the Rights Shares will be traded on the Catalist Board under the book-entry (scripless) settlement system. For the purposes of trading on the Catalist Board, each board lot of Shares will comprise 1,000 Shares.
- Scaling down : Depending on the level of subscription for the Rights Shares, the Company will, if necessary, and upon approval of the Sponsor and/or SGX-ST, scale down a Shareholder's application to subscribe for the Rights Issue to (i) ensure that the relevant Shareholder does not hold a controlling interest in the Company, which is prohibited under Rule 803 of the Catalist Rules, unless prior approval of Shareholders is obtained in a general meeting; or (ii) avoid placing the relevant Shareholder and parties acting in concert with him/it (as defined in the Take-over Code) in the position of incurring a mandatory bid obligation under the Take-over Code as a result of other Shareholders not taking up their Rights Shares entitlements fully. For the avoidance of doubt, the option to scale down shall not apply to the Undertaking Shareholders' applications to subscribe for the Entitled Rights Shares.
- Status of the Rights Shares : The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing issued Shares for any dividends, rights, allotments or other distributions that may be declared or paid on the Record Date so long as the Record Date falls on or after the date of issue of the Rights Shares.
- Eligibility to participate in the Rights Issue : Please refer to the section titled "**Eligibility of Shareholders to Participate in the Rights Issue**" of this OIS.
- Non-underwritten basis : The Rights Issue is not underwritten.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Use of CPF Funds : Shares are not eligible for purchase under the CPF Investment Scheme. As such, CPF funds may not be used for the payment of the Issue Price of the Rights Shares or excess Rights Shares or for the purchase of provisional allotments of the Rights Shares.

Governing Law : Laws of the Republic of Singapore.

(b) the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the Rights Issue;

17 December 2014 at 5.00 p.m.

(c) the last day and time for acceptance of and payment for the securities to be issued pursuant to the Rights Issue;

6 January 2015 at 5.00 p.m. (9.30 p.m. for Electronic Applications).

(d) the last day and time for renunciation of and payment by the renounee for the securities to be issued pursuant to the Rights Issue;

6 January 2015 at 5.00 p.m.

(e) the terms and conditions of the offer of securities to be issued pursuant to the Rights Issue;

The allotment and issue of the Rights Shares pursuant to the Rights Issue are governed by the terms and conditions as set out in this OIS, in particular, Appendices I to III to this OIS and in the PAL, the ARE and the ARS.

(f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and

As at the Latest Practicable Date, each Undertaking Shareholder holds such number of Shares set out below:

- (i) TT, a Substantial Shareholder, who directly holds 50,798,715 Shares, representing approximately 20.2% of the Existing Issued Share Capital;
- (ii) SM, a Substantial Shareholder, which directly holds 38,484,285 Shares, representing approximately 15.3% of the Existing Issued Share Capital, and
- (iii) BTL, a Substantial Shareholder, who directly holds 44,655,000 Shares, representing approximately 17.8% of the Existing Issued Share Capital.

The Undertaking Shareholders hold an aggregate of 133,938,000 Shares, representing approximately 53.4% of the Existing Issued Share Capital. Accordingly, the Undertaking Shareholders will be entitled to subscribe for an aggregate of 13,393,799 Rights Shares, being their Entitled Rights Shares.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

As an indication of each Undertaking Shareholder's support and commitment to the Company, each Undertaking Shareholder has, pursuant to the terms of the Deeds of Undertaking, agreed to, *inter alia*:

- (i) as at the Books Closure Date, directly and/or through one or more of its/his nominee(s), own not less than the following number of Shares:

Name	Total Number of Shares owned
TT	50,798,715
SM	38,484,285
BTL	44,655,000
Total	133,938,000

- (ii) not sell, transfer or otherwise deal with any of the Shares that it/he owns or controls as at the date of the Deeds of Undertaking, during the period between the date of the Deeds of Undertaking and the date of issue of the Rights Shares;
- (iii) participate in the Rights Issue undertaken by the Company by subscribing and paying for all of the provisional allotments of the Entitled Rights Shares in accordance with the terms and conditions and the procedures for subscription as set out in this OIS;
- (iv) procure confirmation from a Singapore licensed financial institution that it/he has sufficient financial resources to fulfil its/his obligations pursuant to the undertaking; and
- (v) not withdraw the undertakings,

(collectively, the "**Irrevocable Undertakings**").

The Deeds of Undertaking shall lapse and shall cease to have any effect upon the Rights Issue being withdrawn, lapsed or closed.

Assuming all Shareholders (including Undertaking Shareholders) subscribe and pay for all the Rights Shares (including Entitled Rights Shares) and calculated based on the Existing Issued Share Capital, 25,093,500 Rights Shares will be issued pursuant to the Rights Issue and the total number of issued Shares after completion of the Rights Issue is 276,028,500. The 25,093,500 Rights Shares will represent approximately 9.1% of the enlarged issued share capital of the Company after completion of the Rights Issue.

Assuming only the Undertaking Shareholders subscribe and pay for the Entitled Rights Shares pursuant to respective Deeds of Undertakings, and none of the other Shareholders subscribes and pays for any Rights Shares and calculated based on the Existing Issued Share Capital, 13,393,799 Rights Shares will be issued pursuant to the Rights Issue and the total number of issued Shares after completion of the Rights Issue is 264,328,799. The 13,393,799 Rights Shares will represent approximately 5.1% of the enlarged issued share capital after completion of the Rights Issue.

On 6 November 2014, 10 November 2014 and 12 November 2014, the Company and/or the Manager had received written confirmations from each of the Undertaking Shareholders' respective financial institution that the Undertaking Shareholder has the financial resources to subscribe and pay for the Entitled Rights Shares.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (g) if the Rights Issue is or will not be underwritten, the reason for not underwriting the issue.**
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The Company has decided to undertake the Rights Issue on a non-underwritten basis in view of the Irrevocable Undertakings provided by the Undertaking Shareholders and the savings in cost by the Company in respect of underwriting fees.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR THE RIGHTS ISSUE
UNDER APPENDIX 8A OF THE CATALIST RULES**

3(b) Provide a review of the working capital for the last three (3) financial years and the latest half year (if applicable).

S\$'000	Audited As at 31 December 2011	Audited As at 31 December 2012	Audited As at 31 December 2013	Unaudited As at 30 June 2014
Total Current Assets	7,073	10,644	6,723	6,097
Total Current Liabilities	7,333	7,153	13,388	4,946
Working Capital	(260)	3,491	(6,665)	1,151

FY2012 vs FY2011

The working capital increased from a deficit of S\$260,000 as at 31 December 2011 to a positive of S\$3,491,000 as at 31 December 2012. This was mainly due to proceeds received from the RCPS.

The total current assets increased from S\$7,073,000 as at 31 December 2011 to S\$10,644,000 as at 31 December 2012. This was mainly due to the increase in cash and bank balances and trade and other receivables.

The total current liabilities decreased from S\$7,333,000 as at 31 December 2011 to S\$7,153,000 as at 31 December 2012. This was mainly due to the decrease in other payables and accruals and offset by the increase in trade payables and income tax payable.

FY2013 vs FY2012

The working capital decreased from S\$3,491,000 as at 31 December 2012 to a deficit of S\$6,665,000 as at 31 December 2013. This was mainly due to the reclassification of the RCPS from non-current to current liabilities.

The total current assets decreased from S\$10,644,000 as at 31 December 2012 to S\$6,723,000 as at 31 December 2013. This was mainly due to the decrease in cash and bank balances and decrease in other receivables as a result of repayment of amount due from the China joint venture entity and impairment loss recognized on long outstanding other receivables.

The total current liabilities increased from S\$7,153,000 as at 31 December 2012 to S\$13,388,000 as at 31 December 2013. This was mainly due to the reclassification of the RCPS from non-current to current liabilities.

HY2014 vs FY2013

The working capital increased from a deficit of S\$6,665,000 as at 31 December 2013 to a positive of S\$1,151,000 as at 30 June 2014. This was mainly due to the proceeds received from the 2013 Rights Issue in February 2014 which was used to redeem the RCPS.

The total current assets decreased from S\$6,723,000 as at 31 December 2013 to S\$6,097,000 as at 30 June 2014. This was mainly due to the decrease in cash and cash equivalents, and the decrease in other receivables and prepayments.

The total current liabilities decreased from S\$13,388,000 as at 31 December 2013 to S\$4,946,000 as at 30 June 2014. This was mainly due to the redemption of the RCPS and the repayment of current loans and borrowings.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR THE RIGHTS ISSUE
UNDER APPENDIX 8A OF THE CATALIST RULES**

- 3(c) (i) **Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, provide the information in Rule 832 of the Catalist Rules.**
- (ii) **Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on a price-fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of “nil-paid” rights commences.**
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Not applicable. The Rights Issue (i) does not involve an issue of convertible securities, (ii) is not underwritten, and (iii) the exercise or conversion price is not based on a price fixing formula.

- 3(d) **A statement by the sponsor and each financial adviser that, to the best of its knowledge and belief, the document constitutes full and true disclosure of all material facts about the issue, the issuer and its subsidiaries, and that the financial adviser is not aware of any facts the omission of which would make any statement in the document misleading; and where the document contains a profit forecast, that it is satisfied that the profit forecast has been stated by the directors after due and careful enquiry.**
-

The Sponsor confirms that to the best of its knowledge and belief, this OIS constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its subsidiaries, and the Sponsor is not aware of any facts the omission of which would make any statement in this OIS misleading.

The Manager confirms that to the best of its knowledge and belief, this OIS constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its subsidiaries, and that the Manager is not aware of any facts the omission of which would make any statement in this OIS misleading.

There are no profit forecasts contained in this OIS.

APPENDIX I – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

1. INTRODUCTION

- 1.1 Entitled Depositors are entitled to receive this OIS and the ARE which forms part of this OIS. For the purposes of this OIS, any references to applications by way of an Electronic Application without references to such Electronic Application being made through an ATM shall, where the Entitled Depositor is a Depository Agent, include an application made via the SGX-SSH Service.
- 1.2 The acceptance of the provisional allotments of Rights Shares and application for excess Rights Shares are governed by the terms and conditions of this OIS, (if applicable) the M&AA and the instructions in the ARE and/or the ARS.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE. The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares and application and payment for excess Rights Shares are set out in this OIS as well as the ARE and/or the ARS.

- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for excess Rights Shares, he may do so by way of an Electronic Application or by completing and signing the relevant portions of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed in its originality, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for excess Rights Shares may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the **“Free Balance”** of the Entitled Depositor’s Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares subscribed as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or this OIS, at CDP’s absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply by way of an Electronic Application) or **BY A CROSSED CHEQUE SENT BY ORDINARY POST** (as the case may be and in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE OF THE RIGHTS SHARES AND (IF APPLICABLE) APPLICATION FOR EXCESS RIGHTS SHARES VIA THE SGX-SSH SERVICE.

With regard to any acceptance, application and/or payment which does not conform strictly to the terms and conditions of this OIS, the PAL, (if applicable) the M&AA, instructions in the ARE and/or the ARS and/or any other application form for the Rights Shares and/or excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the PAL, the ARE, the ARS and/or any other application form for the Rights Shares and/or excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, or where the **“Free Balance”** of the applicant’s Securities Account is not credited with, or is credited with less than

APPENDIX I – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

the relevant number of Rights Shares subscribed as at the last date and time for acceptance, excess application and payment for the Rights Shares, the Company and/or CDP may, at their/ its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Company and CDP shall be authorised and entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and (if applicable) application for excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application submitted for the acceptance of Rights Shares and (if applicable) application for excess Rights Shares.

- 1.4 Unless expressly provided to the contrary in this OIS, the ARE and/or the ARS in respect of enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this OIS, the ARE and/or the ARS has no rights under the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore to enforce any term of such contracts. Notwithstanding any term contained in this OIS, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- 1.5 For investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares must be done through the respective finance companies or Depository Agents. For such investors, acceptance of the provisional allotment of Rights Shares and/or application for excess Rights Shares made directly to CDP or through the ATMs of the Participating Banks will be rejected.

2. MODE OF ACCEPTANCE AND APPLICATION

2.1 Acceptance/Application by way of Electronic Application

Instructions for an Electronic Applications to accept the Rights Shares provisionally allotted and (if applicable) to apply for excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix III to this OIS for the additional terms and conditions for an Electronic Application.

IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR/ITS ABSOLUTE DISCRETION, DEEM FIT.

APPENDIX I – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

2.2 Acceptance/Application through CDP

To accept the provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares through CDP, the Entitled Depositor must:

- (a) complete and sign the ARE. In particular, he must state in Part (A) of Section II of the ARE the number of Rights Shares provisionally allotted to him which he wishes to accept, in Part (B) of Section II of the ARE the number of excess Rights Shares he wishes to apply for and in Section (II) of the ARE the respective and total amounts to be made payable to “**CDP — SMG RIGHTS ISSUE ACCOUNT**”; and
- (b) deliver the duly completed and signed original of the ARE, accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for:
 - (i) by hand, to **SINGAPORE MEDICAL GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20, THE METROPOLIS, SINGAPORE 138588**; or
 - (ii) by post, **at the sender’s own risk**, in the self-addressed envelope provided, to **SINGAPORE MEDICAL GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Payment for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier’s Order or Banker’s Draft drawn on a bank in Singapore and made payable to “**CDP — SMG RIGHTS ISSUE ACCOUNT**” and crossed “**NOT NEGOTIABLE, A/C PAYEE ONLY**” with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier’s Order or Banker’s Draft.

NO COMBINED CASHIER’S ORDER OR BANKER’S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER MODES OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

2.3 Acceptance through the SGX-SSH Service (for Depository Agents only)

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares through the SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and this OIS as if the duly completed and signed original of the ARE has been delivered to CDP.

2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the excess Rights Shares applied for by the Entitled Depositor, the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 5.2 of Appendix I to this OIS which set out the circumstances and manner in which the Company and/or CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on behalf of the Company whether under the ARE, the ARS or any other application form for the Rights Shares and/or excess Rights Shares in relation to the Rights Issue.

APPENDIX I – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

2.5 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and deliver the duly completed and signed original of the ARE, accompanied by payment in the prescribed manner as described in paragraph 2.2 of Appendix I to this OIS to CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of an Electronic Application in the prescribed manner as described in paragraph 2.1 or 2.3 of Appendix I to this OIS.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 1,000 Rights Shares or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the unit share market of the SGX-ST during the provisional allotment trading period.

2.6 Sale of Provisional Allotments of Rights Shares

The ARE need not be forwarded to the Purchasers as arrangements will be made by CDP for a separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, on behalf of the Company, send the ARS, accompanied by this OIS and other accompanying documents, **by ordinary post and at the Purchasers' own risk**, to their mailing addresses in Singapore in the records of CDP. Purchasers should ensure that their ARS is accurately completed and signed in its originality, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS accompanied by this OIS and other accompanying documents, may proceed to obtain the same from CDP or the Share Registrar for the period up to **5.00 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

This OIS and its accompanying documents will not be despatched to Foreign Purchasers Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.

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2.7 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS, accompanied by this OIS and other accompanying documents, for and on behalf of the Company, to the renouncee **by ordinary post and at their own risk**, to their mailing addresses in Singapore in the records of CDP, for the renouncee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renouncee is **5.00 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and/or has applied for excess Rights Shares by way of the ARE and also by way of an Electronic Application, the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for excess Rights Shares (including an Electronic Application) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

4. ILLUSTRATIVE EXAMPLES

As an illustration, if an Entitled Depositor has 100,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 10,000 Rights Shares as set out in his ARE. The Entitled Depositor’s alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives

- (a) Accept his entire provisional allotment of 10,000 Rights Shares and (if applicable) apply for excess Rights Shares.

Procedures to be taken

- (1) **By way of an Electronic Application** Accept his entire provisional allotment of 10,000 Rights Shares and (if applicable) apply for excess Rights Shares by way of an Electronic Application as described in this OIS not later than **9.30 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

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Alternatives

Procedures to be taken

- (2) **Through CDP** Complete and sign the ARE in accordance with the instructions contained in this OIS and the ARE for the acceptance of his entire provisional allotment of 10,000 Rights Shares and (if applicable) the number of excess Rights Shares applied for and deliver the duly completed and signed original of the ARE, accompanied by a **single remittance** for S\$1530 (or (if applicable) such higher amount in respect of the total number of Rights Shares accepted and excess Rights Shares applied for) made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — SMG RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft, by hand to **SINGAPORE MEDICAL GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20, THE METROPOLIS, SINGAPORE 138588**; or by post, **at his own risk**, in the self-addressed envelope provided, to **SINGAPORE MEDICAL GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**, in each case so as to arrive not later than **5.00 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER MODES OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
- (b) Accept a portion of his provisional allotment of Rights Shares, for example 6,000 provisionally allotted Rights Shares, not apply for excess Rights Shares and trade the balance on the SGX-ST.
- (1) **By way of an Electronic Application** Accept his provisional allotment of 6,000 Rights Shares by way of an Electronic Application as described in this OIS not later than **9.30 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

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Alternatives

Procedures to be taken

- (2) **Through CDP** Complete and sign the ARE in accordance with the instructions contained in this OIS and the ARE for the acceptance of his provisional allotment of 6,000 Rights Shares and deliver the duly completed and signed original of the ARE, accompanied by a **single remittance** for S\$918 in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 4,000 Rights Shares which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares will be tradable in board lots in ready market, each board lot comprising provisional allotments of 1,000 Rights Shares or any other board lot size which the SGX-ST may require during the provisional allotment trading period. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the unit share market of the SGX-ST during the provisional allotment trading period.

- (c) Accept a portion of his provisional allotment of Rights Shares, for example 6,000 provisionally allotted Rights Shares, reject the balance and not apply for excess Rights Shares.

- (1) **By way of Electronic Application** Accept his provisional allotment of 6,000 Rights Shares by way of an Electronic Application as described in this OIS not later than **9.30 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

- (2) **Through CDP** Complete and sign the ARE in accordance with the instructions contained in this OIS and the ARE for the acceptance of his provisional allotment of 6,000 Rights Shares and deliver the duly completed and signed original of the ARE, accompanied by a **single remittance** for S\$918 in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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Alternatives

Procedures to be taken

The balance of the provisional allotment of 4,000 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made by way of an Electronic Application by **9.30 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or if an acceptance is not made through CDP by **5.00 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS:

- (A) 9.30 P.M. ON 6 JANUARY 2015 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE BY WAY OF AN ELECTRONIC APPLICATION; OR**
- (B) 5.00 P.M. ON 6 JANUARY 2015 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR THE SGX-SSH SERVICE; AND**

If acceptance and payment for the Rights Shares in the prescribed manner as set out in the PAL, the ARE and/or the ARS (as the case may be) and this OIS is not received by way of an Electronic Application by **9.30 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5.00 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All monies received in connection therewith will be returned by CDP on behalf of the Company to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom, **by ordinary post at their own risk** to their mailing addresses in Singapore as maintained in the records of CDP.

IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

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5.2 Appropriation

Without prejudice to paragraph 1.3 of Appendix I to this OIS, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares and/or applying for excess Rights Shares, he acknowledges that, in the case where:
 - (i) the amount of remittance payable to the Company in respect of his acceptance of his provisionally allotted Rights Shares and (if applicable) his application for excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares and/or excess Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP; or
 - (ii) the amounts as stated in Parts (A) and (B) of Section (II) of the ARE, Section II of the ARS and/or in any other application form for Rights Shares and/or excess Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP, or otherwise payable by him in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) his application for the excess Rights Shares,

the Company and/or CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on behalf of the Company for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares and/or excess Rights Shares in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for excess Rights Shares. Without contrary to the above, the Company and CDP shall be entitled to make such appropriation for each application based on the amount received for that application, notwithstanding payment (or overpayment) made in this or other application(s). The determination and appropriation by the Company and CDP shall be conclusive and binding;

- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares and/or excess Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and/or CDP, in applying the amounts payable in respect of his acceptance of his provisional allotment of the Rights Shares and (if applicable) his application for excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and/or has applied for excess Rights Shares by way of the ARE and also by way of an Electronic Application, the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and any other acceptance and/or application for excess Rights Shares (including an Electronic Application) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

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5.3 Availability of Excess Rights Shares

The excess Rights Shares available for application are subject to the terms and conditions contained in this OIS, (if applicable) the M&AA and the instructions in the ARE. Applications for excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the provisional allotments of Rights Shares, together with any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in this OIS, (if applicable) the M&AA and the instructions in the ARE, the ARS and/or any other application form for the Rights Shares and/or excess Rights Shares in relation to the Rights Issue. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion deem fit in the interest of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots. Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.

The Company reserves the right to reject any application for excess Rights Shares, in full or in part, without assigning any reason whatsoever. In the event that the number of excess Rights Shares allotted to an Entitled Depositor is less than the number of excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of excess Rights Shares actually allotted to him.

If no excess Rights Shares are allotted or if the number of excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application monies (as the case may be) will be refunded to the Entitled Depositors without interest or any share of revenue or other benefit arising therefrom, within fourteen (14) days after the Closing Date, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for excess Rights Shares by way of an Electronic Application), the receipt by such banks being a good discharge to the Company, CDP and the Manager of their obligations, if any, thereunder, and/or by a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **by ordinary post at their own risk** to their mailing addresses in Singapore as maintained in the records of CDP, or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for excess Rights Shares through CDP).

5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company);
- (b) the duly completed and signed original of the ARE and/or ARS, accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — SMG RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft and submitted by

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hand, to **SINGAPORE MEDICAL GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED**, at **9 NORTH BUONA VISTA DRIVE, #01-19/20, THE METROPOLIS, SINGAPORE 138588** or by post, at the sender's own risk in the self-addressed envelope provided, to **SINGAPORE MEDICAL GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

- (c) acceptance is made by a Depository Agent via the SGX-SSH service and payment in Singapore currency by way of a telegraphic transfer by the Depository Agent for the Rights Shares is effected by **5.00 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All monies received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **by ordinary post at their own risk**, to their mailing addresses in Singapore in the records of CDP.

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

5.5 Certificates

The share certificates for the Rights Shares and/or excess Rights Shares will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and/or excess Rights Shares, CDP will send to the Entitled Depositor and/or the Purchaser (as the case may be) **by ordinary post at their own risk**, a notification letter showing the number of Rights Shares and/or excess Rights Shares credited to your Securities Account.

5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to each Securities Account. Verification of the number of Rights Shares provisionally allotted and credited to each Securities Account can be done online upon registration for CDP Internet Access Service or through CDP Automated Phone Services Hotline number (65) 6535-7511 using the telephone pin (T-Pin). Alternatively, the Entitled Depositor may proceed personally to CDP with his identity card or passport to verify the number of Rights Shares provisionally allotted and credited to his Securities Account.

It is the Entitled Depositors sole responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OIS, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.

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No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. Status of acceptance of the provisional allotment of Rights Shares and (if applicable) application for excess Rights Shares can be checked through CDP Automated Phone Services Hotline number (65) 6535-7511 using the T-Pin.

CDP Phone User Guide

1. Dial (65) 6535-7511
2. Press "1" for English; Press "2" for Mandarin
3. Press "3" for "Corporate Actions Announcement and Transactions"
4. Press "2" for your rights application status
5. Enter your 12 digit CDP securities account number
6. Enter your 6 digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to the Entitled Depositors will be **by ordinary post at their own risk** to their mailing addresses in Singapore as maintained in the records of CDP.

APPENDIX II – PROCEDURES FOR ACCEPTANCE, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS

1. INTRODUCTION

- 1.1 Acceptances of the provisional allotment of Rights Shares and/or any excess application for the Rights Shares must be made on the appropriate form(s) accompanying and forming part of this OIS. Entitled Scripholders are entitled to receive this OIS and the PAL which incorporates the following documents, and forms part of this OIS:

PAL incorporating:

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination	Form D
Excess Rights Shares Application Form	Form E

- 1.2 The acceptance of the provisional allotments of Rights Shares and application for excess Rights Shares are governed by the terms and conditions of this OIS, (if applicable) the M&AA and the instructions in the PAL.

The number of Rights Shares provisionally allotted to each Entitled Scripholder is indicated in the PAL. Entitled Scripholders may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue.

- 1.3 Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares and the procedures to be adopted should the Entitled Scripholders wish to renounce, transfer or split all or part of their provisional allotments are set out in this OIS as well as the PAL.

- 1.4 **The full amount payable for the relevant number of Rights Shares accepted/applied for will be rounded up to the nearest whole cent (if applicable).**

- 1.5 With regard to any acceptance, application and/or payment which does not conform strictly to the terms and conditions of this OIS, (if applicable) the M&AA, the instructions in the PAL and/or any other application form for Rights Shares and/or excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance or if the “**Free Balance**” of the Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares subscribed as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the PAL or this OIS, the Company and/or the Share Registrar may, at their/its absolute discretion, reject or treat as invalid any such application, payment and/or other processes of remittances at any time after receipt in such manner as they/it may deem fit.

- 1.6 The Company and/or the Share Registrar shall be authorised and entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares and (if applicable) application for excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder or a renounee, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder or renounee. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application submitted for the acceptance of the of Rights Shares and (if applicable) application for excess Rights Shares.

APPENDIX II – PROCEDURES FOR ACCEPTANCE, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS

- 1.7 **Entitled Scripholders who intend to trade any part of their provisional allotment of Rights Shares on Catalist Board should note that all dealings in and transactions of the provisional allotments of Rights Shares through Catalist Board will be effected under the book-entry (scripless) settlement system. Accordingly, the PAL will not be valid for delivery pursuant to trades done on Catalist Board.**
- 1.8 Unless expressly provided to the contrary in this OIS and/or the PAL in respect of enforcement against Entitled Scripholders or their renounees, a person who is not a party to any contracts made pursuant to this OIS and/or the PAL has no rights under the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore to enforce any term of such contracts. Notwithstanding any term contained in this OIS, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. FORM OF ACCEPTANCE (FORM A)

2.1 Acceptance

An Entitled Scripholder who wishes to accept all of his provisional allotments of Rights Shares or to accept any part of it and decline the balance must:

- (a) duly complete and sign the Form A (Form of Acceptance) for the number of Rights Shares which he wishes to accept; and
- (b) deliver the duly completed and signed original of the PAL, accompanied by **A SINGLE REMITTANCE** for the full amount payment for the relevant number of Rights Shares accepted by post, at the sender's own risk, to **SINGAPORE MEDICAL GROUP LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE LTD), 80 ROBINSON ROAD, #02-00, SINGAPORE 068898** so as to arrive at the Share Registrar not later than **5.00 p.m.** on **6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

2.2 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Shareholder, the attention of the Entitled Scripholder is drawn to paragraph 2.3 of Appendix II to this OIS which sets out the circumstances and manner in which the Company and/or the Share Registrar shall be authorised and entitled to determine and appropriate all amounts received by the Share Registrar on behalf of the Company whether under the PAL or any other application form for the Rights Shares in relation to the Rights Issue.

2.3 Appropriation

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares, he acknowledges that, the Company and/or the Share Registrar, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore to be applied towards the payment of his acceptance of Rights Shares.

APPENDIX II – PROCEDURES FOR ACCEPTANCE, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS

3. REQUEST FOR SPLITTING (FORM B) AND FORM OF RENUNCIATION (FORM C)

- 3.1 Entitled Scripholders who wish to accept a portion of their provisional allotments of Rights Shares and renounce the balance of their provisional allotments of Rights Shares, or who wish to renounce all or part of their provisional allotments of Rights Shares in favour of more than one person, should first, using Form B (Request for Splitting) request to have their provisional allotments of Rights Shares under the PAL split into separate PALs (the “**Split Letters**”) according to their requirements. The duly completed and signed original of Form B (Request for Splitting) together with the PAL in its **ENTIRETY**, should be delivered, by post, **at the sender’s own risk**, in the self-addressed envelope provided, to **SINGAPORE MEDICAL GROUP LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE LTD), 80 ROBINSON ROAD, #02-00, SINGAPORE 068898** so as to arrive at the Share Registrar not later than **5.00 p.m. on 17 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B (Request for Splitting) together with the PAL in its **ENTIRETY**, is received after **5.00 p.m. on 17 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The Split Letters representing the number of Rights Shares which Entitled Scripholder intends to renounce, may be renounced by completing and signing the Form C (Form of Renunciation) before delivery to the renounee. Entitled Scripholders should complete Form A (Form of Acceptance) of the Split Letter(s) representing that part of their provisional allotments of Rights Shares they intend to accept, if any, and deliver the duly completed and signed original of the Split Letter(s), accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares by post, **at the sender’s own risk**, in the self-addressed envelope provided to **SINGAPORE MEDICAL GROUP LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE LTD), 80 ROBINSON ROAD, #02-00, SINGAPORE 068898**, so as to arrive at the Share Registrar not later than **5.00 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Entitled Scripholders who wish to renounce their entire provisional allotments of Rights Shares in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete Form C (Form of Renunciation) for the number of provisional allotments of Rights Shares which they wish to renounce and deliver the PAL in its **ENTIRETY** to the renounee(s).

4. FORM OF NOMINATION (WITH CONSOLIDATED LISTING FORM) (FORM D)

- 4.1 Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PAL(s) and/or Split Letter(s) renounced in his favour by completing and signing Form A (Form of Acceptance) and Form D (Form of Nomination) and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them and payment of the total amount due may be made with one Cashier’s Order or Banker’s Draft and drawn on a bank in Singapore and complying with the requirements aforesaid. No receipt or acknowledgement will be issued for any acceptance and (if applicable) application or payment received.

A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete Form D (Form of Nomination) of only one (1) PAL or Split Letter (the “**Principal PAL**”) by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL stated on each of them.

ALL THE RENOUNCED PALS AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO FORM A OR FORM D, (AS THE CASE MAY BE).

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5. PAYMENT

- 5.1 Payment in relation to the PAL must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**SMG LIMITED RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or acceptor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. The duly completed and signed original of the PAL, accompanied by a **SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares delivered by post, in the self-addressed envelope provided, to **SINGAPORE MEDICAL GROUP LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE LTD), 80 ROBINSON ROAD, #02-00, SINGAPORE 068898** so as to arrive at the Share Registrar not later than **5.00 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER MODES OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

- 5.2 If acceptance and payment for the Rights Shares in the prescribed manner as set out in the PAL and this OIS is not received through the Share Registrar by **5.00 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Scripholder or renounees, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All monies received in connection therewith will be returned by the Share Registrar on behalf of the Company to Entitled Scripholder or renounees (as the case may be) without interest or any share of revenue or other benefit arising therefrom, **by ordinary post at their own** risk within fourteen (14) days after the Closing Date.

6. EXCESS RIGHTS SHARES APPLICATION FORM (FORM E)

- 6.1 Entitled Scripholders who wish to apply for excess Rights Shares in addition to those which have been provisionally allotted to them may do so by delivering the duly completed and signed original of the Form E (Excess Rights Shares Application Form), accompanied by **A SEPARATE REMITTANCE** for the full amount payment for the relevant number of excess Rights Shares applied for by post, at the sender's own risk, to **SINGAPORE MEDICAL GROUP LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE LTD), 80 ROBINSON ROAD, #02-00, SINGAPORE 068898** so as to arrive at the Share Registrar not later than **5.00 p.m. on 6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER MODES OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
- 6.2 The excess Rights Shares available for application are subject to the terms and conditions contained in this OIS, (if applicable) the M&AA and the instructions in the PAL. Applications for excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders; their respective renounee(s) or the Purchaser(s) of the provisional allotment of Rights Shares, together with the unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in this OIS, (if applicable) the M&AA and the instructions contained in the PAL and/or

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any other application form for the Rights Shares and/or excess Rights Shares. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots. Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.

The Company reserves the right to reject any application for excess Rights Shares, in full or in part, without assigning any reason whatsoever. In the event that the number of excess Rights Shares allotted to an Entitled Scripholder is less than the number of excess Rights Shares applied for, the Entitled Scripholder shall be deemed to have accepted the number of excess Rights Shares actually allotted to him.

- 6.3 If no excess Rights Shares are allotted or if the number of excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application monies (as the case may be) will be refunded to the Entitled Scripholder without interest or any share of revenue or other benefit arising therefrom, within fourteen (14) days after the Closing Date, by a crossed cheque drawn on a bank in Singapore and sent **by ordinary post at their own risk** to their mailing addresses in Singapore as maintained with the Share Registrar.

7. GENERAL

- 7.1 No acknowledgements or receipts will be issued in respect of any acceptances, remittances or applications.
- 7.2 **IF AN ENTITLED SCRIPHOLDER OR RENOUNCEE (as the case may be) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**
- 7.3 Upon the listing and quotation on the Catalist Board, any trading of the Rights Shares on the SGX-ST will be via the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited", as the same may be amended from time to time, copies of which are available from CDP.
- 7.4 Entitled Scripholders and their renounees who wish to accept the Rights Shares and/or apply for excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant form(s) comprised in the PAL.

Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the relevant form(s) comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP, will be issued physical share certificates in their own names for the Rights Shares allotted to them and (if applicable) the excess Rights Shares allotted to them. Such physical share certificates, if issued, will be **sent by ordinary post at their own risk**, but will not be valid for delivery pursuant to trades done on Catalist Board under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

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- 7.5 If the Entitled Scripholder's address stated in the PAL is different from his address registered with the Share Registrar, he should promptly inform the Share Registrar of any change in his address, failing which the notification letter on successful allotments and other correspondence will be sent to his address as maintained with the Share Registrar.
- 7.6 A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on Catalist Board, must deposit his share certificate(s) with CDP, together with the duly executed instruments of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares (as the case may be) before he can effect the desired trade.

THE FINAL TIME AND DATE FOR ACCEPTANCES OF AND/OR EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IS 5.00 PM ON 6 JANUARY 2015 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).

APPENDIX III – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK

The procedures for an Electronic Applications are set out on the ATM screens of the relevant Participating Banks (the “**Steps**”). Please read carefully the terms and conditions of this OIS, the Steps and the terms and conditions for an Electronic Application set out below before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used to accept and (if applicable) apply for Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which such Electronic Application is made will be rejected.

Any reference to the “**Applicant**” in the terms and conditions for an Electronic Application and the Steps shall mean the Entitled Depositor or the purchaser of the provisional allotment who accepts or (as the case may be) who applies for the Rights Shares by way of an Electronic Application. An Applicant must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before he can make an Electronic Application at the ATM of that Participating Bank.

The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (the “**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is for retention by the Applicant and should not be submitted with any ARE and/or ARS.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM Card issued to him in his own name. Using his own Securities Account number with an ATM Card which is not issued to him in his own name will render his acceptance or (as the case may be) excess application liable to be rejected.

An Electronic Application shall be made on, and subject to, the terms and conditions of this OIS including:

- (1) in connection with his Electronic Application for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
 - (a) that he has received a copy of this OIS and has read, understood and agreed to all the terms and conditions of acceptance and (as the case may be) application for the Rights Shares under the Rights Issue and this OIS prior to effecting the Electronic Application and agrees to be bound by the same; and
 - (b) that he consents to the disclosure of his name, NRIC/passport number, address, nationality, CDP Securities Account number, and application details (the “**Relevant Particulars**”) from his account with that Participating Bank to the Share Registrar, Securities Clearing & Computer Services (Pte) Ltd, CDP, the SGX-ST and the Company (the “**Relevant Parties**”).

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key. By doing so, the Applicant shall be treated as signifying his confirmation of each of the 2 statements above. In respect of statement 1(b) above, his confirmation, by pressing the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act (Chapter 19) of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Applicant may make an Electronic Application for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.

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- (3) The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of Rights Shares provisionally allotted and excess Rights Shares applied for as stated on the Transaction Record or the number of Rights Shares represented by the provisional allotment of Rights Shares as may be standing to the credit of the “**Free Balance**” of his Securities Account as at the Closing Date. In the event that the Company decides to allot any lesser number of excess Rights Shares or not to allot any number of excess Rights Shares to the Applicant, the Applicant agrees to accept the decision as final and binding.
- (4) If the Applicant’s Electronic Application is successful, his confirmation (by his action of pressing the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key on the ATM) of the number of Rights Shares accepted and/or excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or excess Rights Shares applied for that may be allotted to him.
- (5) In the event that the Applicant accepts the Rights Shares both by way of the ARE and/or the ARS (as the case may be) and by an Electronic Application, the Company and/or CDP shall be authorised and entitled to accept the Applicant’s instructions in whichever mode or a combination thereof as they may, in their/its absolute discretion, deem fit. In determining the number of Rights Shares which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of provisionally allotted Rights Shares which are standing to the credit of the “**Free Balance**” of his Securities Account as at the Closing Date and the aggregate number of Rights Shares which have been accepted by the Applicant by way of ARE and/or ARS (as the case may be) and by an Electronic Application. The Company and/or CDP, in determining the number of Rights Shares which the Applicant has given valid instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Banker’s Draft or Cashier’s Order drawn on a bank in Singapore accompanying the ARE and/or ARS (as the case may be) and by an Electronic Application which the Applicant has authorised or is deemed to have authorized to be applied towards the payment in respect of his acceptance.
- (6) If applicable, in the event that the Applicant applies for excess Rights Shares both by way of the ARE and by an Electronic Application, the Company and/ or CDP shall be authorised and entitled to accept the Applicant’s instructions in whichever mode or a combination thereof as they may, in their/its absolute discretion, deem fit. In determining the number of excess Rights Shares which the Applicant has validly given instructions to apply for, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of excess Rights Shares not exceeding the aggregate number of excess Rights Shares for which he has applied by way of ARE and by an Electronic Application. The Company and/or CDP, in determining the number of excess Rights Shares which the Applicant has given valid instructions to apply for, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the excess Rights Shares, whether by way of Banker’s Draft or Cashier’s Order drawn on a bank in Singapore accompanying the ARE and by an Electronic Application.
- (7) The Applicant irrevocably requests and authorises the Company to:
 - (a) register, or to procure the registration of the Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;
 - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares not be accepted and/or excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Applicant’s bank account with his Participating Bank with the relevant amount within fourteen (14) days after the Closing Date; and

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- (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within fourteen (14) days after the Closing Date.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OF ANY OTHER PERSON.**
- (9) The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Participating Banks, the Share Registrar, the Company and/or the Receiving Bank) and any events whatsoever beyond the control of CDP, the Participating Banks, the Share Registrar, the Company, and the Receiving Bank and if, in any such event, CDP and/or the Participating Banks and/or the Share Registrar and/or the Company and/or the Receiving Bank do not record or receive the Applicant's Electronic Application by **9.30 p.m.** on **6 January 2015**, or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against CDP, the Participating Banks, the Share Registrar, the Company, the Receiving Bank and/or the Manager for any purported acceptance thereof and (if applicable) excess application therefor, or for any compensation, loss or damage in connection therewith or in relation thereto.
- (10) **Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays between 7.00 a.m. to 9.30 p.m. (excluding public holidays).**
- (11) Electronic Applications shall close at **9.30 p.m.** on **6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- (12) All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.
- (13) The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within fourteen (14) days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.
- (15) In consideration of the Company arranging for Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m.** on **6 January 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), and by making and completing an Electronic Application, the Applicant agrees that:
- (a) his Electronic Application is irrevocable (whether or not to the extent permitted by law, any supplementary or replacement document referred to in Section 241 of the SFA is lodged with the SGX-ST, acting as agent on behalf of the Authority);

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- (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
 - (c) none of the Company, the Manager, CDP, the Participating Banks, the Receiving Bank nor the Share Registrar shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 of Appendix III to this OIS or to any cause beyond their respective control;
 - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares and (if applicable) his application for excess Rights Shares;
 - (e) in respect of the Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
 - (f) unless expressly provided to the contrary in this OIS or the Electronic Application, a person who is not a party to any contracts made pursuant to this OIS or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore, to enforce any term of such contracts. Notwithstanding any term contained in this OIS, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Banks are correct and identical; otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondence will be sent to his address in the records of CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
- (18) In the event that the Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for excess Rights Shares (as the case may be) by way of ARE and/or ARS or by way of an Electronic Application, the Rights Shares and/or excess Rights Shares will be allotted in such manner as the Company and/or CDP may, in their absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies (as the case may be) will be refunded, without interest or any share of revenue or other benefit arising therefrom, within fourteen (14) days after the Closing Date by:
- (a) crediting the Applicant's bank account with the relevant Participating Bank at his own risk (if he accepts and (if applicable) applies by way of an Electronic Application), the receipt by such bank being a good discharge to the Company, CDP and the Manager of their obligations, if any, thereunder; and/or
 - (b) a crossed cheque drawn on a bank in Singapore and **sent by ordinary post at his own risk** to his mailing addresses in Singapore in the records of CDP, or in such other manner as he may have agreed with CDP for the payment of any cash distributions (if he accepts and (if applicable) applies through CDP).

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- (19) The Applicant hereby acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of Rights Shares which he can validly accept, the Company and/or CDP are entitled and the Applicant hereby authorises the Company and/or CDP to take into consideration:
- (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares which the Applicant has validly accepted, whether under the ARE or any other form of application (including an Electronic Application) for the Rights Shares;
 - (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the **“Free Balance”** of the Applicant’s Securities Account which is available for acceptance; and
 - (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Applicant.

The Applicant hereby acknowledges that CDP’s and/or the Company’s determination shall be conclusive and binding on him.

- (20) The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares accepted by the Applicant and (if applicable) the excess Rights Shares which the Applicant has applied for.
- (21) With regard to any acceptance, application and/or payment which does not conform strictly to the terms and conditions of this OIS, (if applicable) the M&AA, instructions in the ARE and/or ARS and/or any other application form for the Rights Shares and/or excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, or where the **“Free Balance”** of the Applicant’s Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares subscribed as at the Closing Date, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such application, payment and/or other processes of remittances at any time after receipt in such manner as they/it may deem fit.
- (22) The Company and/or CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application submitted for the acceptance of Rights Shares and (if applicable) application for excess Rights Shares.

APPENDIX IV – LIST OF PARTICIPATING BANKS

PARTICIPATING BANKS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM:

1. DBS Bank Ltd (including POSB)
2. United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited

DIRECTORS' RESPONSIBILITY STATEMENT

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

Dated 9 December 2014

Board of Directors of **Singapore Medical Group Limited**

Tony Tan Choon Keat

Beng Teck Liang

Jimmy Yim Wing Kuen

Ho Lon Gee