

VOLUNTARY CONDITIONAL GENERAL OFFER

by

ERNST & YOUNG CORPORATE FINANCE PTE LTD

(Company Registration No.: 199702967E)
(Incorporated in the Republic of Singapore)

for and on behalf of

TLW SUCCESS PTE. LTD.

(Company Registration No.: 202227719Z)
(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of

SINGAPORE MEDICAL GROUP LIMITED

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

other than any Shares held in treasury and those Shares held, directly or indirectly by the Offeror as at the date of the Offer

OFFER ANNOUNCEMENT

1. INTRODUCTION

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

2. THE OFFER

2.1 Offer Terms

In accordance with Rule 15 of the Code and subject to the terms and conditions set out in the formal offer document to be issued by EYCF, for and on behalf of the Offeror (the "**Offer Document**"), the Offeror will make the Offer for the Offer Shares on the following basis:

FOR EACH OFFER SHARE:

EITHER

(a) **S\$0.37 (the "Cash Price") in cash (the "Cash Consideration")**

OR

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

The consideration for each Offer Share (the "Offer Consideration") shall, at the option of each shareholder of the Company (the "Shareholder"), be the Cash Consideration or the Share Consideration.

Each Shareholder of the Company:

(i) **who is holding Offer Shares directly in a securities account with The Central Depository (Pte) Limited ("CDP") and who accepts the Offer shall have in relation to all their Offer Shares tendered in acceptance of the Offer, the right to elect to receive either the Cash Consideration or the Share Consideration, but not a combination of both; and**

(ii) **who is a depository agent holding the Offer Shares (an "Entitled Depository Agent") on behalf of sub-account holder(s), shall in respect of each sub-account holder who accepts the Offer, have the right to elect to receive either the Cash Consideration or the Share Consideration, but not a combination of both.**

In the event that a Shareholder, or a sub-account holder for each Entitled Depository Agent, maintains an address recorded in the register of members of the Company or the register maintained by the CDP or in the records of the Entitled Depository Agent (as the case may be) that is not within Singapore and does not provide the Company or the share registrar of the Company or CDP (as the case may be) with an address in Singapore in accordance with the timeline set out in the Offer Document, such Shareholder or such sub-account holder for each Entitled Depository Agent shall be deemed to have elected, and shall receive, the Cash Consideration for all of its Offer Shares tendered in acceptance of the Offer.

Further details of the procedures for acceptance of the Offer will be set out in the Offer Document and the acceptance forms.

The New Offeror Shares are not listed on any securities exchange.

The Offer, when made, will be extended, on the same terms and conditions, to:

(A) **all the Shares, other than those Shares already owned, controlled or agreed to be acquired by the Offeror;**

- (B) all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any options (the "**Company Options**") granted under the SMG Share Option Scheme (the "**Company Option Scheme**") prior to the close of the Offer; and
- (C) all new Shares unconditionally issued or delivered or to be issued or delivered pursuant to the vesting and release of any awards (the "**Company Awards**") granted under the SMG Share Plan prior to the close of the Offer.

For the purposes of the Offer, the expression the "**Offer Shares**" will include all such Shares.

2.2 No Encumbrances

The Offer Shares will be acquired (a) fully paid-up; (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever (the "**Encumbrances**"); and (c) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement (the "**Offer Announcement Date**") and hereafter attaching thereto (including the right to receive and retain all dividends, rights, other distributions and return of capital, if any, which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).

In the event that any dividends, rights, other distributions or return of capital is declared, paid or made on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Consideration by the amount of such dividend, right and other distribution or return of capital paid by the Company to the accepting Shareholder.

2.3 Conditional Offer

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

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert with it (whether before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and persons acting in concert with it holding such number of Shares carrying more than 90% of the voting rights attributable to the maximum potential issued share capital of the Company. For this purpose, the "**maximum potential issued share capital of the Company**" means the total number of Shares which would be in issue had all outstanding Company Options and Company Awards (if any) been validly exercised as at the date of such declaration.

The Offeror reserves the right to reduce the Acceptance Condition to a lower minimum acceptance level (but above 50%), subject to the requirements under Rule 15.1 of the Code, provided that such revision be made after obtaining the consent of the Securities Industry Council of Singapore. In the event that the Acceptance Condition is revised, the revised Offer shall remain open for another 14 days following the notification of such revision and Shareholders who have accepted the Offer will be permitted to withdraw their acceptances within eight (8) days of notification of such revision. The revised acceptance level will take into account the withdrawals and new acceptances as at the close of the Offer.

Save for the above, the Offer will be unconditional in all other respects.

Further information on the Offer and the terms and conditions upon which the Offer will be made shall be set out in the Offer Document to be issued.

2.4 New Offeror Shares

The New Offeror Shares to be allotted and issued pursuant to the Share Consideration will, on issue, be credited as fully paid and free from all Encumbrances and will rank *pari passu* in all respects with the existing Offeror Shares (as defined below) as at the date of their issue. The full terms and conditions of the Offeror Shares are set out in the Constitution of the Offeror. The salient terms of the Constitution of Offeror will be set out in the Offer Document.

2.5 Further details

Further details of the Offer will be set out in the Offer Document.

3. COMPANY OPTIONS

Based on publicly available information, there are 7,700,000 outstanding Company Options as at 30 June 2022. Under the rules of the Company Option Scheme, the Company Options are not freely transferable by the holders (the "**Optionholders**") thereof. In view of this restriction, the Offeror will not make an offer to acquire the Company Options in connection with the Offer (although, as stated above, the Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of the Company Options prior to the close of the Offer).

Instead, EYCF will, on behalf of the Offeror, make a proposal (the "**Options Proposal**") to the Optionholders on the following terms, that subject to:

- (a) the Offer becoming or being declared unconditional in all respects; and
- (b) the relevant Company Options continuing to be exercisable into new Shares,

the Offeror will pay to such Optionholders a cash amount (determined as provided below) (the "**Option Price**") in consideration of such Optionholders agreeing:

- (i) not to exercise any of such Company Options into new Shares; and

- (ii) not to exercise any of their rights as Optionholders,

in each case from the date of their acceptance of the Options Proposal to the respective dates of expiry of such Company Options. Further, if the Offer becomes or is declared unconditional in all respects, Optionholders who have accepted the Options Proposal will also be required to surrender their relevant Company Options for cancellation. If the Offer lapses or is withdrawn or if the relevant Company Options cease to be exercisable into new Shares, the Options Proposal will lapse accordingly.

- 3.2 The Option Price is computed on a "see-through" basis. In other words, the Option Price in relation to any Company Option is the amount of the excess of the Cash Price over the exercise price of that Company Option. If however the exercise price of a Company Option is equal to or more than the Cash Price, the Option Price for each Company Option will be the nominal amount of S\$0.001.
- 3.3 For the avoidance of doubt, the Offer and the Options Proposal are separate and mutually exclusive. The Options Proposal does not form part of the Offer, and *vice versa*. Without prejudice to the foregoing, if Optionholders exercise their Company Options in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise, they may not accept the Options Proposal in respect of such Company Options. Conversely, if Optionholders wish to accept the Options Proposal in respect of their Company Options, they may not exercise those Company Options in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise.
- 3.4 Details of the Options Proposal will be despatched to Optionholders no later than the date of despatch of the Offer Document.

4. COMPANY AWARDS

Based on publicly available information, there are no outstanding Company Awards as at the Offer Announcement Date.

5. INFORMATION ON THE COMPANY

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

5.2 As at the Offer Announcement Date, based on publicly available information:

- (a) the Company has an issued and paid-up share capital of S\$101,979,219.02 comprising 486,382,109 Shares (excluding 232,729 Shares held by the Company as treasury shares); and
- (b) the directors of the Company are:
 - (i) Mr. Tony Tan Choon Keat ("**TTCK**") (Non-Executive Chairman);
 - (ii) Dr. Beng Teck Liang ("**BTL**") (Executive Director and Chief Executive Officer);
 - (iii) Dr. Wong Seng Weng ("**WSW**") (Executive Director);
 - (iv) Mr. Ho Lon Gee (Lead Independent Director);
 - (v) Mr. Jimmy Yim Wing Kuen (Independent Director); and
 - (vi) Ms. Stefanie Yuen Thio (Independent Director).

6. **INFORMATION ON THE OFFEROR**

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

As at the Offer Announcement Date, the Offeror has an issued and paid-up share capital of S\$3.00, consisting of 3 ordinary shares (the "**Offeror Shares**"), which are held by the shareholders as follows:

Shareholder of the Offeror	Number of shares in the Offeror	Proportion of the total number of issued shares in the Offeror
TTCK	1	33.33%
BTL	1	33.33%
WSW	1	33.33%
Total	3	100.00%

As at the Offer Announcement Date, the board of directors of the Offeror (the "**Directors**") comprises the following individuals:

- (a) TTCK; and

(b) BTL.

As at the Offer Announcement Date, the Offeror does not hold any Shares.

7. **IRREVOCABLE UNDERTAKINGS**

7.1 **Details of Promoter Irrevocable Undertakings**

As at the Offer Announcement Date, TTCK, BTL and WSW (collectively, the "**Promoters**" and each, a "**Promoter**") have an aggregate interest in 80,203,255 Shares, representing approximately 16.49% of the total number of issued Shares in the following proportion:

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

Notes:

- (1) Based on the Company's issued and paid-up capital of 486,382,109 Shares (excluding 232,729 treasury shares) as at the Offer Announcement Date.
- (2) In this Announcement, any discrepancies between the listed percentages and the totals shown thereof are due to rounding. Accordingly, figures shown as totals in this Announcement may not be an arithmetic aggregation of the figures that precede them.
- (3) Excluding TTCK's deemed interest in 600,000 Shares held by his immediate family member, Joyce Ooi Eu Huey Mrs Joyce Tan (who has provided a Relevant Shareholder Irrevocable Undertaking). TTCK does not have any outstanding Company Options.
- (4) In addition to 33,626,329 Shares, BTL holds 3,700,000 outstanding Company Options.

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

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

multiplying the Cash Price and the number of Shares tendered in the Offer, less the initial subscription amount of S\$1.00;

- (c) to waive, or procure the waiver of, his rights to receive any cash settlement or payment for his acceptance of the Offer within the time period prescribed under Rule 30 of the Code;
- (d) to accept the Offer in respect of any other Shares or securities in the capital of the Company that he may acquire, or which may be allocated and issued to him, on or after the date of the Promoter Irrevocable Undertakings; and
- (e) (in respect of BTL only) to not exercise all or any of his Company Options held by him and to accept the Options Proposal in respect of all the Company Options held by him.

7.2 Details of Relevant Shareholder Irrevocable Undertakings

As at the Offer Announcement Date, in addition to the Promoter Irrevocable Undertakings, the following Shareholders (the "**Relevant Shareholders**") have also executed irrevocable undertakings (the "**Relevant Shareholder Irrevocable Undertakings**") in favour of the Offeror, pursuant to which each of them has undertaken to:

- (a) accept the Offer in respect of all Shares held by it/him/her (as the case may be);
- (b) elect to receive only the Share Consideration (and not the Cash Consideration); and
- (c) accept the Offer in respect of any other Shares or securities in the capital of the Company that each of them may acquire, or which may be allocated and issued to it/him/her (as the case may be), on or after the date of the Relevant Shareholder Irrevocable Undertakings.

Name of Shareholder	Number of Shares held as at the Offer Announcement Date	Proportion of the total number of issued Shares ⁽¹⁾⁽²⁾
CHA Healthcare Singapore Pte. Ltd.	116,000,000	23.85%
Silver Mines Global Limited ⁽³⁾	26,949,348	5.54%
Red Ancient Global Ltd ⁽³⁾	377,000	0.08%
Cheng Yong Liang	9,152,121	1.88%
Vertical Assets Holdings Inc ⁽⁴⁾	871,000	0.18%
Richard Yong Chin-Wee	6,000,000	1.23%

MCC Management Ltd ⁽⁵⁾	4,703,952	0.97%
Low Chai Ling (Liu Jialin)	5,190,312	1.07%
Joyce Ooi Eu Huey Mrs Joyce Tan ⁽⁶⁾	600,000	0.12%
Chua Han Boon Kenneth	1,255,052	0.26%

Notes:

- (1) Based on the Company's issued and paid-up capital of 486,382,109 Shares (excluding 232,729 treasury shares) as at the Offer Announcement Date.
- (2) In this Announcement, any discrepancies between the listed percentages and the totals shown thereof are due to rounding. Accordingly, figures shown as totals in this Announcement may not be an arithmetic aggregation of the figures that precede them.
- (3) Silver Mines Global Limited is a wholly-owned subsidiary of Red Ancient Global Ltd which is in turn wholly-owned by Dr. Ho Choon Hou.
- (4) Vertical Assets Holdings Inc is wholly-owned by Mr. Cheng Yong Liang.
- (5) MCC Management Ltd is wholly-owned by Mr. Richard Yong Chin-Wee.
- (6) Joyce Ooi Eu Huey Mrs Joyce Tan is TTCK's immediate family member.

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

7.3 Termination of Irrevocable Undertakings

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

7.4 Resultant Shareholdings of the Offeror

It is therefore contemplated that following the close of the Offer, and for illustrative purposes only, assuming that (i) all Shareholders (save for the Promoters and the Relevant Shareholders) accept the Offer and elect to receive the Cash Consideration as the Offer Consideration for all

their Offer Shares; and (ii) the Promoters and the Relevant Shareholders accept the Offer and elect to receive the Share Consideration for all their Offer Shares in accordance with the terms of the Promoter Irrevocable Undertaking or Relevant Shareholder Irrevocable Undertaking (as the case may be), the resultant shareholding in the Offeror will be as set out below:

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

Notes:

- (1) In this Announcement, any discrepancies between the listed percentages and the totals shown thereof are due to rounding. Accordingly, figures shown as totals in this Announcement may not be an arithmetic aggregation of the figures that precede them. Numeric figures are rounded to the nearest two (2) decimal places.
- (2) This includes the 600,000 New Offeror Shares to be received by TTCK's immediate family member, Joyce Ooi Eu Huey Mrs Joyce Tan (who has provided a Relevant Shareholder Irrevocable Undertaking). TTCK does not have any outstanding Company Options.
- (3) Assuming Vertical Assets Holdings Inc nominates Mr. Cheng Yong Liang as the recipient of the Share Consideration.
- (4) Assuming MCC Management Ltd nominates Mr. Richard Yong Chin-Wee as the recipient of the Share Consideration.

The Offeror reserves its rights to convert to a public company in accordance with Section 31 of the Companies Act 1967 of Singapore (the "**Companies Act**"), including in the event that the

number of Shareholders electing the Share Consideration results in the number of shareholders in the Offeror exceeding 50.

8. RATIONALE FOR THE OFFER

8.1 Intention to Delist and Privatise the Company

The Offeror intends to make the Offer with a view to delisting and privatising the Company pursuant to Rules 1307 and 1308 of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**").

8.2 Uncertain Economic Environment in the Short to Medium Term

The Offeror is of the view that the Company faces significant headwinds comprising a challenging macro-economic and operating environment driven by operational cost increases, shortage of skilled healthcare labour and wage increases in the midst of an inflationary environment and as a result of the ongoing COVID-19 pandemic.

In light of the foregoing, the Offeror believes that the Company will face significant operating and financial constraints in executing its strategies and plans for growth. The Offeror also believes that while investment opportunities are still available to pursue organic and inorganic growth with synergistic partners, the environment in which such opportunities can be realised will become more challenging in the short to medium term.

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

8.3 Opportunity for Shareholders to Realise their Investment in the Shares at a Premium to Market Price

The Cash Price exceeds all previous closing prices of the Shares over the last three (3) years to date, save for the period from 18 December 2020 (being the date on which the Company announced that it was in preliminary discussions with a third party regarding a possible transaction involving the Shares) to 15 April 2021 (being the date it was announced that the Company and the third party decided not to proceed with further exploration of the transaction).

The Cash Price also represents a premium of approximately 18.1%, 18.8%, 16.0% and 18.0% over the volume weighted average price ("**VWAP**") per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods respectively, up to and including 8 September 2022, being the last full Market Day¹ on which the Shares were transacted prior to the Offer Announcement Date (the "**Last Trading Day**").

As set out in the table below, based on the Cash Consideration and the net assets of the Company and its subsidiaries as at 31 December 2021, the implied price-to-NAV (as defined

¹ For the purposes of this Announcement, "**Market Day**" means a day on which the SGX-ST is open for the trading of securities.

below) per Share ratio is 1.1 times, while the implied price-to-NTA (as defined below) per Share ratio is 4.2 times:

Audited Net Asset Value (" NAV ") (S\$m)	166.5
Cash Price-to-NAV per Share (times)	1.1x
Audited Net Tangible Assets (" NTA ") (S\$m)	42.6
Cash Price-to-NTA per Share (times)	4.2x

Source: Company 2021 Annual Report

Note: Numeric figures are rounded to the nearest one (1) decimal place.

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

8.4 Low Trading Liquidity of Shares

The trading volume of the Shares has historically been low, with an average daily trading volume² of approximately 1,004,378 Shares, 524,094 Shares, 615,017 Shares and 533,172 Shares during the respective one (1)-month period, three (3)-month period, six (6)-month period and 12-month period up to and including the Last Trading Day as set out below:

Period up to and including the Last Trading Day	Average daily trading volume ('000)⁽¹⁾	Average daily trading volume as a percentage (%) of total number of issued Shares⁽²⁾
One (1)-month	1,004.4	0.206%
Three (3)-month	524.1	0.108%
Six (6)-month	615.0	0.126%
12-month	533.2	0.110%

Source: S&P Capital IQ

Notes:

- (1) Average daily trading volume figures are rounded to the nearest one (1) decimal place and are computed based on the average of the daily trading volume of Shares on each Market Day in each of the respective periods.

² Calculated by using the total volume of Shares traded divided by the number of Market Days with respect to the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period respectively up to and including the Last Trading Day.

- (2) Percentage figures are rounded to the nearest three (3) decimal places.

The Cash Consideration under the Offer therefore provides Shareholders who find it difficult to exit the Company as a result of the low trading volume in Shares with an opportunity to liquidate and realise their investment in the Shares at a premium to the prevailing market prices which would otherwise not be available given the low trading liquidity.

8.5 Clear and Distinct Choice between Cash Consideration and Share Consideration for Shareholders

If successfully privatised, the Offeror will review and carefully examine the business opportunities afforded to the Company with the intention to grow and develop the Company into a pan-Asian healthcare player. Such opportunities may involve entering into joint ventures, collaborations, investments and acquisitions or may involve the restructuring or reorganisation of the Company or a combination thereof which can result in increased operating risk to the Company especially given the current global operating and economic environment. There is therefore no assurance that such plans can be successfully implemented or when, if at all, positive returns can be generated if such plans are pursued. The Offer therefore provides the Offeror with the ability to immediately reduce its regulatory and compliance related costs and to execute its future plans for the Company without exposing public shareholders to the increased risks that may arise as a result.

Shareholders are provided with a clear choice pursuant to the Offer between:

- (a) an attractive cash exit alternative for Shareholders who do not wish to be subject to the risk of uncertainty in the direction and strategy of the Company following privatisation; or
- (b) the Share Consideration in the form of New Offeror Shares for Shareholders having long-term investment objectives who believe in the management team and the business model of the Company (albeit subject to investment, execution and other risks commensurate with a shareholding in the Offeror). The New Offeror Shares are in an unlisted company, and Shareholders should carefully consider the risks and restrictions set out in the Offer Document should they wish to elect to receive the Share Consideration.

8.6 No Need for Access to Capital Markets

The Offeror is of the view that the historical price performance of the Shares has generally been relatively subdued despite the Company having consistently demonstrated a strong track record of profitability and operational execution. The Company's positive achievements include delivering record levels of revenue and profitability in the financial year ended 31 December 2021 and continued organic expansion through the opening of new clinics and by growing the number of specialist doctors within the Company, especially with the return of medical tourism to Singapore as the COVID-19 pandemic recedes. The unsatisfactory historical price performance of the Shares has in turn constrained the Company's ability to utilise its Shares as currency for acquisitions or fundraising. The Company has not carried out any corporate exercise to raise equity capital on the SGX-ST since July 2019.

In light of the above, the Company is unlikely to require access to Singapore equity capital markets to finance its operations and capital requirements, nor to make use of its Shares as consideration for potential acquisitions in the foreseeable future.

8.7 Compliance Costs relating to Listing Status

In maintaining its listed status, the Company incurs listing, compliance, and associated costs. If the Company is delisted and privatised as a consequence of the Offer, the Company will be able to substantially dispense with such costs and instead focus its resources and attention on its business operations.

8.8 Greater Management Flexibility

The Offeror is of the view that the delisting and privatisation of the Company will provide the Offeror and the Company with greater control and management flexibility in (a) utilising and deploying the available resources of the Company and (b) pursuing and implementing the Offeror's business strategies and other options for the Company and its subsidiaries.

9. FINANCIAL EVALUATION OF THE OFFER

The Cash Consideration represents the following premia over certain historical market prices of the Shares up to and including the Last Trading Day as set out below:

Description	Share Price (S\$) ⁽¹⁾	Premium over Share Price (%)
Last transacted price per Share on the Last Trading Day	0.325	13.8
VWAP of the Shares traded on the SGX-ST for the one (1)-month period up to and including the Last Trading Day	0.313	18.1
VWAP of the Shares traded on the SGX-ST for the three (3)-month period up to and including the Last Trading Day	0.311	18.8
VWAP of the Shares traded on the SGX-ST for the six (6)-month period up to and including the Last Trading Day	0.319	16.0
VWAP of the Shares traded on the SGX-ST for the 12-month period up to and including the Last Trading Day	0.314	18.0

Source: S&P Capital IQ

Note:

- (1) VWAP is calculated based on the total daily value divided by the total daily volume for the respective periods and rounded to the nearest three (3) decimal places.

10. LISTING STATUS AND COMPULSORY ACQUISITION

10.1 Listing Status

Pursuant to Rule 1104 of the Catalist Rules, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of issued Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued Shares (excluding any Shares held in treasury) are held by at least 200 Shareholders who are members of the public. Rule 1303(1) of the Catalist Rules provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

10.2 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding, for the avoidance of doubt, any Shares held in treasury), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**").

In such event, each Dissenting Shareholder shall be entitled to elect either the Cash Consideration or the Share Consideration (but not a combination of both) in respect of all its Shares within the timeline as prescribed under Section 215(1A) of the Companies Act (the "CA Election Period**"). After the expiry of the CA Election Period, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer, and Dissenting Shareholders who have failed to make an election as to the form of the consideration on or before the expiry of the CA Election Period shall be deemed to have elected, and shall receive, the Cash Consideration in respect of all its Shares.**

Pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90% or more of the total Shares, Dissenting Shareholders will have a right to require the Offeror to acquire their Shares.

10.3 Offeror's Intentions

The Offeror does not intend to maintain the listing status of the Company. Accordingly, the Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take any step for the public float

to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of total Shares (excluding any Shares held in treasury) are held in public hands. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1308 of the Catalyst Rules.

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

11. CONFIRMATION OF FINANCIAL RESOURCES

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

12. OFFER DOCUMENT

The Offer Document setting out the full terms and conditions of the Offer and enclosing the relevant form(s) of acceptance will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the Offer Announcement Date.

In the meantime, Shareholders are advised to exercise caution and seek appropriate independent professional advice when dealing in their Shares, pending receipt of the Offer Document.

13. DISCLOSURE OF HOLDINGS IN COMPANY SECURITIES

- 13.1 Save as set out in this Announcement and **APPENDIX I** to this Announcement, as at the Offer Announcement Date, none of (a) the Offeror and its Directors, (b) each of the Promoters and their respective spouses and children, and (c) EYCF (collectively, the "**Relevant Persons**") owns, controls or has agreed to acquire any (i) Shares; (ii) securities which carry voting rights

in the Company; or (iii) convertible securities, warrants, options or derivatives in respect of such Shares or securities (collectively, the "**Company Securities**").

13.2 As security for the financing arrangements entered into in connection with the Offer, the Offeror will charge all Shares held by the Offeror in favour of DBS Bank Ltd. (as security trustee) (the "**Financing Security Arrangements**").

13.3 Save as set out this Announcement, as at the Offer Announcement Date, none of the Relevant Persons:

(a) has received any irrevocable commitment from any person to accept the Offer (other than the Promoter Irrevocable Undertakings and the Relevant Shareholder Irrevocable Undertakings); or

(b) has:

(i) granted any security interest over any Company Securities to another person, whether through a charge, pledge or otherwise (other than the Financing Security Arrangements);

(ii) borrowed from another person any Company Securities (excluding borrowed Company Securities which have been on-lent or sold); or

(iii) lent any Company Securities to another person.

13.4 In the interest of confidentiality, the Offeror has not made enquiries in respect of certain other persons who are or may be deemed to be acting in concert with it in connection with the Offer. Further enquiries will be made of such persons by the Offeror and the relevant disclosures, if any, will be made in the Offer Document.

14. **OVERSEAS PERSONS**

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law. The Offer will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or

into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a "**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

The ability of the Shareholders who are not resident in Singapore to accept the Offer may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements.

The Offeror and EYCF each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders who are not resident in Singapore by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement, notice or advertisement.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement (other than those relating to the Company) are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

The Directors jointly and severally accept responsibility accordingly.

Issued by
ERNST & YOUNG CORPORATE FINANCE PTE LTD

For and on behalf of
TLW SUCCESS PTE. LTD.

13 September 2022

Any inquiries relating to this Announcement or the Offer should be directed during office hours to:

Ernst & Young Corporate Finance Pte Ltd

Tel: (65) 6239 4417

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "shall", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor EYCF undertakes any obligation to update publicly or revise any forward-looking statements.

APPENDIX I

DETAILS OF HOLDINGS OF THE COMPANY SECURITIES BY THE RELEVANT PERSONS

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
TLW Success Pte. Ltd.	–	–	–	–	–	–
TTCK	35,708,073	7.34	600,000	0.12	36,308,073	7.46
Joyce Ooi Eu Huey Mrs Joyce Tan	600,000	0.12	–	–	600,000	0.12
BTL	33,626,329	6.91	–	–	33,626,329	6.91
WSW	10,868,853	2.23	–	–	10,868,853	2.23

Note:

- (1) The percentage shareholding interest is based on the Company's issued and paid-up capital of 486,382,109 Shares (excluding 232,729 treasury shares) as at the Offer Announcement Date. Numeric figures are rounded to the nearest two (2) decimal places.

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Company Options	% ⁽¹⁾	No. of Company Options	% ⁽¹⁾	No. of Company Options	% ⁽¹⁾
TLW Success Pte. Ltd.	–	–	–	–	–	–
TTCK	–	–	–	–	–	–
BTL	3,700,000	48.05	–	–	3,700,000	48.05
WSW	–	–	–	–	–	–

Note:

- (1) The percentage options interest is based on the Company's total number of Company Options of 7,700,000 Company Options as at 30 June 2022. Numeric figures are rounded to the nearest two (2) decimal places.