

THOMSON MEDICAL GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199908381D)

- (I) **THE PROPOSED DISTRIBUTION *IN SPECIE* OF THE GROUP'S DESIGN AND ENGINEERING AND HOSPITALITY BUSINESSES TO SHAREHOLDERS OF THE COMPANY BY WAY OF CAPITAL REDUCTION**

 - (II) **THE PROPOSED FURTHER CAPITAL REDUCTION TO WRITE OFF ACCUMULATED LOSSES**
-

1 INTRODUCTION

The Board of Directors (the "**Board**") of Thomson Medical Group Limited ("**TMG**" or the "**Company**", and with its subsidiaries, "**Group**") is proposing to distribute its entire interests in its design and engineering and hospitality businesses (collectively, the "**Real Estate Business**") to its shareholders via a distribution *in specie* (the "**Proposed Distribution**") by way of a capital reduction (the "**Capital Reduction**"). The Real Estate Business is currently held by RSP Holdings Pte. Ltd. ("**RSPH**"). As at the Latest Practicable Date as referred to in the Circular (as defined below) ("**Latest Practicable Date**"), being 5 November 2018, the Company holds all the issued shares in RSPH (the "**RSPH Shares**").

The Proposed Distribution will be effected by way of a distribution *in specie* of RSPH Shares to the Entitled Shareholders (as defined below) in proportion to their respective shareholdings in the Company, on the basis of one (1) RSPH Share for every one (1) ordinary share in the Company (the "**TMG Share**") as at the books closure date to be determined by the Directors of the Company (the "**Directors**") for the purpose of determining the entitlement of shareholders of the Company ("**Shareholders**") (the "**Books Closure Date**"), fractional entitlements (where applicable) to be disregarded. As set out in paragraph 7.7 below, only Shareholders with Singapore addresses as at the Books Closure Date will be entitled to the Proposed Distribution ("**Entitled Shareholders**").

Shareholders will receive RSPH Shares pursuant to the Proposed Distribution. No payment and no other form of consideration will be required from Entitled Shareholders for the Proposed Distribution. The RSPH Shares will be distributed free of encumbrances and together with all rights attaching thereto on and from the Date of Completion (as defined in paragraph 3.6).

Additionally, the Company is also proposing, subject to Shareholders' approval, to further reduce the Company's capital, so as to streamline its capital structure and write off accumulated losses (the "**Proposed Further Capital Reduction**"). Details of the Proposed Further Capital Reduction are found in paragraph 5 below.

The Proposed Distribution by way of Capital Reduction and the Proposed Further Capital Reduction (collectively, the "**Proposed Corporate Exercises**") are subject to Shareholders' approval and the satisfaction of the conditions precedent set out in paragraph 6 below.

In connection with this, the Board wishes to announce that the Company has today despatched a circular dated 12 November 2018 in relation to the Proposed Corporate Exercises to

Shareholders of the Company (“**Circular**”). The Circular contains further information on the Proposed Corporate Exercises as well as the Notice of the Extraordinary General Meeting (“**EGM**”) of the Company to be held at Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 on 4 December 2018 at 2.00 p.m..

Shareholders are advised to refrain from taking any action in relation to their TMG Shares which may be prejudicial to their interests until they or their advisers have considered the information in the Circular, as well as the recommendations set out therein

An electronic copy of the Circular and the Notice of EGM will be made available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com.

2 THE GROUP’S BUSINESS PROFILE

As at the Latest Practicable Date, the Group’s business profile comprises both the Real Estate Business and the healthcare business (“**Healthcare Business**”).

2.1 Information on the Healthcare Business

The Healthcare Business is engaged in the provision of healthcare services, focusing on obstetrics and gynaecology (“**O&G**”) and paediatric services in Singapore, and multi-disciplinary tertiary care services and fertility services in Malaysia. The Group’s Singapore healthcare network comprises Thomson Medical Centre, a leading private hospital specialising in providing O&G and paediatrics services and also tertiary healthcare services in the area of neonatal intensive care. Together with its tenant doctors who practice in clinics located within Thomson Medical Centre and a wide network of clinics and centres spread across Singapore, it offers a convenient and integrated healthcare network for patients who require O&G, paediatrics and other related services.

Within Malaysia, the Group owns Thomson Hospital Kota Damansara (formerly known as “Tropicana Medical Centre”) which provides integrated tertiary medical healthcare. In addition, the Group offers specialised fertility services through the TMC Fertility Centre located within Thomson Hospital Kota Damansara with five other branches across Malaysia. The Group recently started works to expand the number of beds at Thomson Hospital Kota Damansara and has also announced plans to construct the Thomson Iskandar Medical Hub in Johor Bahru, Malaysia.

The Group also owns a parcel of land in Johor Bahru contiguous to the Thomson Iskandar Medical Hub. It intends to develop this parcel into an integrated healthcare and wellness destination known as Vantage Bay Healthcare City. This project will provide an array of medical, wellness and educational facilities and will encompass the Thomson Iskandar Medical Hub.

The Group recognises that, in order to maximise the growth of both the Healthcare Business and the Real Estate Business, it is necessary to separate the principal activities, business strategies and future plans of RSPH from the rest of the Group to enable the management of each entity to better focus on their respective core businesses, geographies and oversee their strategies and operations more effectively. Accordingly, the Group is proposing to undertake a distribution *in specie* of RSPH Shares to Entitled Shareholders.

Upon the completion of the Proposed Distribution, the Company would cease to hold any shares in RSPH and RSPH would consequently cease to be a subsidiary of the Company.

2.2 Information on the Real Estate Business

Incorporated in Singapore, RSPH is a wholly-owned subsidiary of the Company and its principal activities is investment holding. As at Latest Practicable Date, the issued and paid-up share capital of RSPH is S\$1 comprising one (1) ordinary share. Upon completion of the Restructuring (as defined in Section 3.1), the RSPH Group would hold entirely the Real Estate Business as shown in the **Appendix** to this announcement.

The design and engineering business of RSPH and its subsidiaries (the “**RSPH Group**”) will comprise RSP Architects Planners & Engineers (Pte) Ltd (“**RSP Architects**”), Squire Mech Private Limited (“**Squire Mech**”) and AC Consortium Pte. Ltd. (“**AC Consortium**”). RSP Architects is headquartered in Singapore and has overseas presence in the People’s Republic of China, Vietnam, United Arab Emirates, Malaysia and India. Possessing a recognised track record, the multidisciplinary practice offers complementary services spanning across architecture, civil and structural engineering, mechanical and electrical engineering, master planning, urban design, interior design and project management, to clients in both public and private sectors. Several of the key development projects successfully completed by the RSPH Group include ION Orchard, The Orchard Residences, Westgate, ITE Headquarters and ITE College Central @ Ang Mo Kio, Watertown and Waterway Point and CapitaGreen.

An ISO 9000 and ISO 14000 certified company, Squire Mech has a strong track record of providing mechanical & electrical (“**M&E**”) engineering services for major developments and facilities for clients in both the public and private sectors. In 2017, Squire Mech completed M&E consultancy work for 14 projects overseas and in Singapore, such as Carros Centre, Kranji Recreation Centre, Shanghai Amara Hotel and Shangri-La Hotel Yiwu in China.

AC Consortium is a leading industrial building design firm in Singapore. It was incorporated in 1999, having evolved from a partnership practice since 1986. Some of its significant projects include Defu Industrial City, One Commonwealth, Cogent 1. Logistics Hub, West Park BizCentral, Loyang Enterprise and Oxley BizHub.

The RSPH Group will also be engaged in the hospitality business. This business comprises Hotel Football, as well as a hotel management and consultancy services company in Singapore, GG Collections Private Limited (“**GG Collections**”). GG Collections operates out of Manchester in the United Kingdom.

Hotel Football is a boutique hotel with 133 rooms and a presidential suite, which is located across Old Trafford. Hotel Football opened in March 2015 and its many facilities include the 185-seat football-themed Café Football Manchester, a rooftop football pitch, the Old Trafford Supporters Club in its basement and conference rooms including the stadium suite. The first floor of Hotel Football is the stadium suite, a large conference and banqueting space with an excellent view overlooking Old Trafford. The second to eighth floors are hotel bedrooms. The ninth floor is a banqueting suite named “Heaven” which doubles up as 5-a-side pitch with a retractable roof.

GG Collections is in the business of management and growing hotel and restaurant chains, both in the United Kingdom and overseas. It owns the Hotel Football and Café Football brands which have been licensed to Hotel Football and Café Football. Under the stewardship of its directors, Gary Neville and Ryan Giggs, it successfully launched Hotel Football, making it one of the most popular hotels in Manchester. GG Hospitality Management Limited, the operating subsidiary of GG Collections, boasts an experienced management team with many years of experience in leading international hotels and restaurants. It currently manages Hotel Football in Manchester as well as the Café Football restaurants in London and Manchester.

Rowsley (SM) Pte Ltd was incorporated to undertake a joint-venture with, among others, football legends Gary Neville and Ryan Giggs, to develop St. Michael's, a mixed-use development located in the heart of Manchester's city centre. The development scheme comprises a 5-star hotel, luxury apartments, Grade A offices, retail and leisure spaces. The Company is currently in the process of re-negotiating the joint-venture.

3 THE PROPOSED DISTRIBUTION BY WAY OF CAPITAL REDUCTION

3.1 Restructuring

Pursuant to the Proposed Distribution, the Company will undertake an internal re-organisation (the "**Restructuring**"), such that the Real Estate Business would be held entirely by the RSPH Group, as illustrated by the corporate structures set out in the **Appendix** to this announcement. The Restructuring is expected to be completed before the Date of Completion (as defined in paragraph 3.6).

As at the Latest Practicable Date, there are aggregate outstanding balances of S\$69,417,000 owing to the Company from RSPH and certain subsidiaries within the RSPH Group.

Pursuant to the Restructuring:

- (a) the Company will transfer all its shares in RSP Architects, Rowsley Hospitality Holdings Pte. Ltd., Rowsley (SM) Pte Ltd and GG Collections to RSPH for an aggregate consideration of S\$87,296,000, the consideration for which will be satisfied by the issuance of new RSPH Shares as described below; and
- (b) concurrent with such transfer, RSPH will undertake the repayment obligations in respect of all the outstanding balances owed by the RSPH Group to the Company amounting in aggregate to S\$69,417,000, which will be capitalised by the issuance of new RSPH Shares as described below.

In consideration of the transfer of the Company's shares in RSP Architects, Rowsley Hospitality Holdings Pte. Ltd., Rowsley (SM) Pte Ltd and GG Collections to RSPH and the repayment of the outstanding balances owed by RSPH to the Company as at the Latest Practicable Date, on completion of the Restructuring, RSPH shall issue such number of new RSPH Shares to the Company in such number that, when added to the number of RSPH Shares held by the Company immediately prior to completion of the Restructuring, will amount to a number equivalent to the number of TMG Shares held by Entitled Shareholders as at the Books Closure Date. For the purposes of illustration, assuming that, as at the Books Closure Date, there are 26,072,800,745 TMG Shares held by Entitled Shareholders and TMG holds one (1) RSPH Share, the number of new RSPH Shares to be issued shall be 26,072,800,744.

Presently, the Company is exploring various options, including divestment, in respect of Finestday Limited and Café Football. Should such divestment materialise prior to the completion of the Proposed Distribution, the divested entities would accordingly be excluded from the RSPH Group.

3.2 The Proposed Distribution by way of Capital Reduction

The Company will undertake the Proposed Distribution by way of Capital Reduction pursuant to Section 78G read with Section 78I of the Companies Act (Cap.50) of Singapore (the "**Act**").

The Capital Reduction will be effected by reducing the Company's shareholders' equity by S\$155,973,000, taking into account the pro forma net book value of RSPH upon completion of the Restructuring as at 30 September 2018 but there will not be any cancellation of TMG Shares or reduction in the number of issued TMG Shares. Accordingly, the number of TMG Shares held by each of the Shareholders will remain the same before and immediately after the Capital Reduction.

3.3 Conversion

In conjunction with the Proposed Distribution, RSPH will be converted from a private limited company to a public limited company. Following the completion of the Proposed Distribution, Entitled Shareholders will hold shares in RSPH, which will be a public Singapore company whose shares are not listed or quoted on the Official List of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") or any securities exchange or any other regulated markets, and Entitled Shareholders will therefore not be able to easily trade in such RSPH Shares.

3.4 Group structures before and after the completion of the Proposed Distribution

The Group structures before and after the completion of the Proposed Distribution are set out in the **Appendix** to this announcement.

3.5 Entitlements to the RSPH Shares

Under the Proposed Distribution, the Company will distribute its entire holdings of RSPH Shares to Entitled Shareholders, on the basis of one (1) RSPH Share for every one (1) TMG Share held as at the Books Closure Date, fractional entitlements (where applicable) to be disregarded.

For illustrative purposes, an Entitled Shareholder who holds:

- a) 1 TMG Share as at the Books Closure Date would receive 1 RSPH Share;
- b) 10 TMG Shares as at the Books Closure Date would receive 10 RSPH Shares; and
- c) 100 TMG Shares as at the Books Closure Date would receive 100 RSPH Shares.

Shareholders should note that as fractional entitlements (where applicable) shall be disregarded, any Shareholder who holds less than one (1) TMG Share will NOT receive any RSPH Share, and shall not be entitled to make any claim whatsoever against the Company or any other person in connection therewith.

As at the Latest Practicable Date, the Company has an existing issued share capital (the "**Existing Issued Share Capital**") comprising 26,072,800,745 TMG Shares, as well as 9,475,784,822 bonus warrants ("**Bonus Warrants**") and 1,050,000 piggyback warrants ("**Piggyback Warrants**") in issue. Save for the aforementioned Bonus Warrants and Piggyback Warrants, the Company does not have any other outstanding convertible securities as at the Latest Practicable Date.

The Company has commissioned the valuer, BDO Advisory Pte Ltd, to undertake an independent valuation of the RSPH Group as at 30 September 2018. The summary independent valuation report will be attached to the Circular.

For illustrative purposes and based on the Existing Issued Share Capital, the value of each RSPH Share to be received by each Entitled Shareholder shall be in the range of 0.35 Singapore cents per RSPH Share to 0.60 Singapore cents per RSPH Share as follows:

	Assuming that no Bonus Warrants or Piggyback Warrants are exercised	Assuming that all outstanding Bonus Warrants are exercised, but no Piggyback Warrants are exercised	Assuming that all outstanding Bonus Warrants and Piggyback Warrants ⁽¹⁾ are exercised
Pro forma net book value of RSPH to be distributed	S\$155,973,000	S\$155,973,000	S\$155,973,000
No. of TMG Shares in issue	26,072,800,745	35,548,585,567	45,025,420,389
No. of RSPH Shares to be distributed based on the distribution ratio of one (1) RSPH Share for every one (1) TMG Share ⁽²⁾	26,072,800,745	35,548,585,567	45,025,420,389
Value of each RSPH Share to be distributed	0.60 cents	0.44 cents	0.35 cents

Notes:

- (1) Includes the number of Piggyback Warrants to be issued pursuant to the exercise of outstanding Bonus Warrants.
- (2) Assuming all TMG Shares are held by Entitled Shareholders as at the Books Closure Date.

The final number of RSPH Shares received by each Entitled Shareholder will depend on, *inter alia*, the total number of TMG Shares held by that Entitled Shareholder as at the Books Closure Date. As such, the value of each RSPH Share to be distributed is theoretical as at the Latest Practicable Date.

The pro forma net book value of RSPH upon completion of the Restructuring is approximately S\$155,973,000 based on the Group's unaudited financial statements as at 30 September 2018. The Company's shareholders' equity would be reduced by such an equivalent amount pursuant to the Capital Reduction.

3.6 No payment required

No payment will be required from Entitled Shareholders for the Proposed Distribution. The RSPH Shares will be distributed free of encumbrances and together with all rights attaching thereto on and from the date of completion of the Proposed Corporate Exercises, to be determined by the Directors and announced by the Company, being the date the RSPH Shares are distributed to Entitled Shareholders (the "**Date of Completion**").

3.7 Adjustments to the Bonus Warrants and Piggyback Warrants exercise prices

Pursuant to the terms and conditions of the Bonus Warrants and Piggyback Warrants as set out in the deed polls dated 23 March 2018 (the “**Deed Polls**”), whenever the Company makes a distribution in cash or *in specie* (other than dividends), the respective exercise prices of the Bonus Warrants and Piggyback Warrants shall be adjusted in accordance with such terms and conditions.

For illustrative purposes only, based on the Existing Issued Share Capital, the existing number of Bonus Warrants and Piggyback Warrants and assuming a current market price⁽¹⁾ of S\$0.08 per TMG Share as at 9 November 2018 (being the market day immediately preceding the date on which this announcement is made), the following adjustments will be made to the exercise price of the Bonus Warrants and Piggyback Warrants:

Before Adjustments		After Adjustments	
Exercise price of each Bonus Warrant	Exercise price of each Piggyback Warrant	Exercise price of each Bonus Warrant	Exercise price of each Piggyback Warrant
S\$0.09	S\$0.12	S\$0.08	S\$0.11

Note:

- (1) As defined in the terms and conditions of the Bonus Warrants and Piggyback Warrants, the current market price in relation to each TMG Share for any relevant market day shall be the average of the last dealt prices (rounded down to nearest S\$0.01 per TMG Share) of TMG Shares quoted on the Main Board of the SGX-ST for the 5 consecutive market days (on each of which trading of the TMG Shares on the Main Board of the SGX-ST has been transacted) immediately preceding that market day.

The adjustments to the exercise prices of the Bonus Warrants and the Piggyback Warrants respectively are subject to certification by the Company’s auditors and will be effective from the commencement of the market day next following the Books Closure Date. The Company will make an announcement of such adjusted exercise price at the appropriate juncture.

For the avoidance of doubt, in accordance with the terms and conditions of the Deed Polls, the exercise price of the Bonus Warrants and Piggyback Warrants would not be adjusted pursuant to the Proposed Further Capital Reduction.

3.8 Earn-out Shares

The Company had previously announced on 20 June 2016 and 23 May 2017 the acquisition of shares in Squire Mech and AC Consortium respectively (the “**Acquired Entities**”), from various vendors (the “**Vendors**”) by RSP Architects. Pursuant to the sale and purchase agreements, it was agreed that up to 148,480,544 TMG Shares (the “**Earn-out Shares**”) are to be issued by the Company to the Vendors, contingent upon the achievement of certain earn-out targets between 2019 and 2020.

The SGX-ST had approved in principle the listing and quotation of these Earn-out Shares on 1 August 2016 and 19 June 2017. As at the Latest Practicable Date, the Earn-out Shares represent approximately 0.57% of the Existing Issued Share Capital.

The Acquired Entities are owned by RSP Architects and will form part of the RSPH Group, which is the subject of the Proposed Distribution. As the sale and purchase agreements for Squire Mech and AC Consortium were negotiated and signed between RSP Architects and the Vendors, the contractual obligation is with RSPH to fulfil the payment of the Earn-out Shares should the earn-out targets be met. Accordingly, upon completion of the Proposed Distribution, the earn-out obligation will remain with RSPH and the Company is not required to issue any TMG Shares as payment to the Vendors.

4 RATIONALE FOR THE PROPOSED DISTRIBUTION

The Group intends to undertake the Proposed Distribution as the Directors believe that it will benefit the Company and Shareholders for the reasons outlined below.

4.1 More reflective valuation

The existing activities of the Company comprise the Healthcare Business and the Real Estate Business.

As stated in the Company's circular to Shareholders dated 28 February 2018, following the completion of a very substantial acquisition of Thomson Medical Pte. Ltd. and TMC Life Sciences Berhad, the Company's current focus is to develop and grow its Healthcare Business and that it will divest its Real Estate Business.

The Healthcare Business and Real Estate Business are distinctly different, and investors tend to apply different valuation metrics based on the industry. The Directors believe that the Proposed Distribution will enable Shareholders and potential investors to independently value the businesses of the RSPH Group as well as the Company based on their respective performance, growth potential and underlying value.

4.2 Enhancing value for Shareholders

Following the Proposed Distribution, the Entitled Shareholders will become direct shareholders of RSPH. The Proposed Distribution will enable the Company to return value to Shareholders free of payment. Entitled Shareholders will then hold shares in two (2) separate pure-play companies, namely TMG and RSPH. For the financial period ended 30 September 2018, the Group recorded overall net profits where the profits attributable to the Healthcare Business were partially offset by the losses attributable to the Real Estate Business. Accordingly, the Proposed Distribution would allow the overall financial performance metrics of TMG to improve and be aligned with that of the healthcare industry. Pursuant to the Proposed Distribution, the Company, being one of the largest pure-play healthcare companies listed on the SGX-ST by market capitalisation, expects to attract greater investor interest and widen its investor base and thereafter lead to an improvement in the trading liquidity of TMG Shares

Upon the provision of the Cash Alternative (as defined below) which will be announced prior to the completion of the Proposed Distribution, Entitled Shareholders would have the opportunity to receive cash from the sale of RSPH Shares in the short term. Should Entitled Shareholders wish to hold on to the unlisted RSPH Shares, they will then be able to participate and enjoy the

benefits of any liquidity event that may take place in the future. Any such liquidity event is subject to risks, uncertainties and other factors, and there is no assurance that any such liquidity event will materialise. Entitled Shareholders will be able to separately manage their portfolio holdings in these companies in accordance with their individual investment objectives.

The RSPH Shares distributed via the Proposed Distribution are NOT listed on the SGX-ST. Accordingly, the transfer and purchase of such shares in RSPH will be subject to, *inter alia*, the constitution of RSPH and the applicable laws and regulations relating to the transfer and purchase of shares in Singapore.

4.3 Enable Management's focus on core businesses

The Proposed Distribution will separate the principal activities, business strategies and future plans of the RSPH Group from the rest of the Group and will enable the management of each entity to fully concentrate on their respective core business and oversee their strategies and operations more effectively.

In addition, each of the management teams of RSPH and TMG will be able to fully direct their efforts into growing and developing the Real Estate Business and the Healthcare Business respectively.

5 PROPOSED FURTHER CAPITAL REDUCTION TO WRITE OFF ACCUMULATED LOSSES

Concurrent with the Proposed Distribution, the Company would undertake the Proposed Further Capital Reduction pursuant to Section 78G read with Section 78I of the Act, by way of cancellation of the Company's issued and paid-up share capital which is lost or unrepresented by available assets.

As at 30 September 2018, the Company's issued and paid-up share capital and accumulated losses were S\$2,772,202,000 and S\$281,194,000 respectively. The Further Capital Reduction will involve a write-off of approximately S\$281,194,000 in accumulated losses of the Company as at 30 September 2018 and will concurrently result in the Company's issued and paid-up share capital being reduced by S\$281,194,000.

The Proposed Further Capital Reduction will not result in any cancellation of TMG Shares nor will it involve the payment to any Shareholder of any paid-up share capital of the Company. Accordingly, the total number and proportion of TMG Shares held by the Shareholders will remain the same before and immediately after the Proposed Further Capital Reduction.

The purpose of the Proposed Further Capital Reduction is to rationalise the balance sheet of the Company to more accurately reflect the value of its underlying assets and thus the financial position of the Company. In addition, the Company would be in a better position to retain future profits if the accumulated losses are written off. This will help the Company to return to a healthier balance sheet sooner.

6 CONDITIONS PRECEDENT TO THE PROPOSED CORPORATE EXERCISES

Completion of the Proposed Corporate Exercises are conditional on, *inter alia*, the following:

- (a) the approval of Shareholders, by way of special resolutions, for the Proposed Distribution by way of Capital Reduction, and the Proposed Further Capital Reduction being obtained at an EGM to be convened;
- (b) such other approvals, authorisations, consents and confirmations from the regulatory authorities as may be required or advisable and the same remaining in force, including without limitation such approvals from the High Court of Singapore, SGX-ST and other third parties being obtained for or in connection with the Proposed Distribution by way of Capital Reduction and/or the Proposed Further Capital Reduction, and if such approvals are given subject to any conditions, such conditions being acceptable to the Company; and
- (c) in relation to the Capital Reduction and the Proposed Further Capital Reduction, the Company complying with the requirements under the Act.

The Company has also undertaken to SGX-ST that it shall announce or cause to be announced the Cash Alternative no later than seven (7) market days from the Books Closure Date and, in this connection, an independent financial adviser will be appointed to opine on whether the financial terms of the Cash Alternative are fair and reasonable. The opinion of the independent financial advisor will be made publicly available to the shareholders of RSPH (the “**RSPH Shareholders**”) in due course. In any event, the completion of the Proposed Distribution by way of Capital Reduction shall not be effected if there is no fair and reasonable Cash Alternative.

7 ADMINISTRATIVE PROCEDURES RELATING TO THE PROPOSED DISTRIBUTION

7.1 Books Closure Date

The Company will announce the Books Closure Date as soon as practicable after the conditions in paragraph 6 above have been satisfied.

7.2 Shareholders (being Depositors) whose TMG Shares are deposited with The Central Depository (Pte) Limited (“CDP”)

In the case of Shareholders (being Depositors), entitlements to the RSPH Shares will be determined on the basis of the number of TMG Shares standing to the credit of their respective securities accounts maintained with CDP as at the Books Closure Date. Shareholders (being Depositors) are required to take the necessary actions to ensure that the TMG Shares owned by them are credited to their securities accounts by the Books Closure Date.

7.3 Scrip Shareholders whose TMG Shares are not deposited with CDP

In the case of Scrip Shareholders whose TMG Shares are not deposited with CDP, entitlements to the RSPH Shares will be determined on the basis of their holdings of TMG Shares appearing in the Register of Members of the Company as at the Books Closure Date. Persons who own TMG Shares and who have not already done so, are requested to take the necessary actions to ensure that the TMG Shares owned by them are registered in their names or in the names of their nominees in the Register of Members by the Books Closure Date.

7.4 **Central Provident Fund Investment Scheme (“CPFIS”) Investors**

In the case of CPFIS Investors, entitlements to the RSPH Shares will be determined on the basis of the number of TMG Shares held by the CPF-approved agent banks on behalf of each CPFIS Investor as at the Books Closure Date.

7.5 **Investors whose TMG Shares were purchased using Supplementary Retirement Scheme (“SRS”) funds**

In the case of investors who have purchased TMG Shares using their SRS funds, entitlements to the RSPH Shares will be determined on the basis of the number of TMG Shares held by the relevant approved banks on behalf of each such investor as at the Books Closure Date.

7.6 **Investors whose TMG Shares are held through a finance company and/or a Depository Agent**

In the case of investors who hold TMG Shares through a finance company and/or a Depository Agent, entitlements to the RSPH Shares will be determined on the basis of the number of TMG Shares held by the finance companies and/or the Depository Agents on behalf of such investors as at the Books Closure Date.

7.7 **Overseas Shareholders**

The Proposed Distribution to Shareholders whose registered addresses as at the Books Closure Date (as recorded in the Register of Members of the Company or in the Depository Register maintained by CDP) are outside Singapore (“**Overseas Shareholders**”) may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Overseas Shareholders are required to inform themselves of and to observe any such prohibition or restriction at their own expense and without liability to the Company.

For practical reasons and in order to avoid violating applicable securities laws outside Singapore, the RSPH Shares will NOT be distributed to Overseas Shareholders who have not, at least three (3) market days prior to the Books Closure Date, provided the Company’s Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01 Singapore 068902 or CDP, as the case may be, with addresses in Singapore for the service of notices or documents in accordance with the foregoing.

Accordingly, Overseas Shareholders whose registered addresses as at the Books Closure Date are outside Singapore will NOT receive the RSPH Shares in the Proposed Distribution and shall not be entitled to make any claim whatsoever against the Company or any other person in connection therewith.

7.8 **Holders of Bonus Warrants and Piggyback Warrants**

As only Entitled Shareholders will be eligible to participate in the Proposed Distribution, holders of Bonus Warrants and/or Piggyback Warrants, as the case may be, who wish to participate in the Proposed Distribution will be required to exercise their Bonus Warrants and/or Piggyback Warrants, as the case may be, such that they shall be Shareholders with Singapore addresses as at the Books Closure Date.

8. UNLISTED RSPH SHARES

Following the Date of Completion, Entitled Shareholders will hold shares in RSPH, a public Singapore company whose shares are not quoted on the Official List of the SGX-ST, any securities exchange or any regulated markets. In order to provide flexibility for RSPH Shareholders who do not wish to hold shares in an unlisted company, the Company is currently exploring options to provide an exit alternative in the form of cash to RSPH Shareholders so that they may choose to receive cash in consideration for all (and not part of) their RSPH Shares following the Proposed Distribution by way of Capital Reduction (the “Cash Alternative”).

Pursuant to the requirement from SGX-ST that a fair and reasonable Cash Alternative be provided, the Company has undertaken to SGX-ST that:

- (a) completion of the Proposed Distribution by way of Capital Reduction shall not be effected without the Cash Alternative having been announced; and
- (b) it shall announce or cause to be announced the Cash Alternative no later than seven (7) market days from the Books Closure Date and, in this connection, an independent financial adviser will be appointed to opine on whether the financial terms of the Cash Alternative are fair and reasonable. The opinion of the independent financial adviser will be made publicly available to the RSPH Shareholders in due course.

For the avoidance of doubt, the Proposed Distribution will not take place if there is no fair and reasonable Cash Alternative.

The aggregate amount of the Cash Alternative will be no less than the distribution amount of RSPH to be distributed, being S\$155,973,000, and the cash amount which RSPH Shareholders shall receive in respect of each RSPH Share pursuant to the Cash Alternative shall be no less than the aggregate amount of the Cash Alternative divided by the total number of RSPH Shares to be distributed to the Entitled Shareholders (which shall be equivalent to the number of TMG Shares held by Entitled Shareholders as at the Books Closure Date).

Purely for illustrative purposes and assuming that the number of TMG Shares held by Entitled Shareholders as at the Books Closure Date is 26,072,800,745 (being the number of TMG Shares in issue as at the Latest Practicable Date) and the aggregate amount of the Cash Alternative is S\$155,973,000, the cash amount which RSPH Shareholders shall receive in respect of each RSPH Share pursuant to the Cash Alternative shall be no less than as follows:

	Assuming that no Bonus Warrants or Piggyback Warrants have been exercised	Assuming that all the Bonus Warrants are exercised and no Piggyback Warrants are exercised	Assuming that all the Bonus Warrants and Piggyback Warrants are exercised
Aggregate amount of the Cash Alternative	S\$155,973,000	S\$155,973,000	S\$155,973,000
No. of RSPH Shares to be distributed based on the distribution ratio of one (1) RSPH Share for every one (1) TMG Share held by Entitled	26,072,800,745	35,548,585,567	45,025,420,389

	Assuming that no Bonus Warrants or Piggyback Warrants have been exercised	Assuming that all the Bonus Warrants are exercised and no Piggyback Warrants are exercised	Assuming that all the Bonus Warrants and Piggyback Warrants are exercised
Shareholders			
Cash amount received in respect of each RSPH Share	0.60 cents	0.44 cents	0.35 cents

In view of the Cash Alternative, no share certificate in respect of the RSPH Shares will be posted to RSPH Shareholders pending the finalisation and implementation of the Cash Alternative arrangements. Share certificates will be posted to RSPH Shareholders within ten (10) market days after the conclusion of the Cash Alternative or such other date as may be announced. **Nonetheless, any RSPH Shareholder who wishes to receive his share certificate during this interim period may make a written request to the share registrar of RSPH for his share certificate to be posted to him within five (5) market days from the receipt of such written request.**

It is intended that upon completion of the Proposed Distribution, the names of the RSPH Shareholders (being the Shareholders as reflected in the Register of Members or Depository Register, as the case may be, as at the Books Closure Date) shall be entered into the electronic register of members of RSPH maintained by the share registrar of RSPH. At the same time, each RSPH Shareholder will be sent a statement of holdings showing the number of RSPH Shares that such RSPH Shareholder has received (such number of RSPH Shares being equivalent to the number of TMG Shares in the relevant Shareholder's securities account as at 5.00 p.m. on the Books Closure Date).

After the Date of Completion, any RSPH Shareholder who decides not to continue to hold the unlisted RSPH Shares, may choose to sell all or such numbers of RSPH Shares as he may, in his absolute discretion decide, to ANY willing purchaser(s) at any time, subject to all applicable laws.

For the avoidance of doubt, CDP will NOT custodise the RSPH Shares received by Entitled Shareholders upon completion of the Proposed Distribution and all ownership of RSPH Shares will be represented by physical share certificate(s).

Any RSPH Shareholder who intends to sell all or such numbers of his RSPH Shares may wish to seek independent legal and other advice to ensure compliance with applicable laws and other requirements.

9 FINANCIAL EFFECTS OF THE PROPOSED CORPORATE EXERCISES

The pro forma financial effects of the Proposed Corporate Exercises on the share capital, earnings, net tangible assets ("NTA") and gearing of the Group have been prepared based on the unaudited consolidated financial results of the Group for the financial period ended 30 September 2018, the Company's Existing Issued Share Capital and taking into account, *inter alia*, the following bases and assumptions:

- (a) the financial effects on the Group's earnings and earnings per TMG Share are computed assuming that the Proposed Corporate Exercises were completed on 1 January 2018;

- (b) the financial effects on the Group's share capital, NTA and gearing are computed assuming that the Proposed Corporate Exercises were completed on 30 September 2018;
- (c) the estimated incremental transaction costs incurred in relation to the Proposed Corporate Exercises are insignificant and are disregarded for computational purposes; and
- (d) the Proposed Restructuring has been completed on or before 1 January 2018 in the manner as set out in paragraph 3.1 of this announcement.

The pro forma financial effects of the Proposed Corporate Exercises are for illustrative purposes only and do not necessarily reflect the actual future results and financial position of the Group following the completion of the Proposed Corporate Exercises.

9.1 Share Capital

	Before the Proposed Corporate Exercises	After the Proposed Distribution by way of Capital Reduction and BEFORE the Proposed Further Capital Reduction	After the Proposed Distribution by way of Capital Reduction and AFTER the Proposed Further Capital Reduction
Issued and paid up share capital (S\$'000)	2,772,202	2,616,229	2,335,035
Number of TMG Shares in issue	26,072,800,745	26,072,800,745	26,072,800,745

There will be no change in the number of issued TMG Shares as a result of the Proposed Corporate Exercises.

9.2 NTA

	Before the Proposed Corporate Exercises	After the Proposed Distribution by way of Capital Reduction and BEFORE the Proposed Further Capital Reduction	After the Proposed Distribution by way of Capital Reduction and AFTER the Proposed Further Capital Reduction
NTA (S\$'000) ⁽¹⁾	251,911	95,938	95,938
Number of TMG Shares in issue	26,072,800,745	26,072,800,745	26,072,800,745
NTA per TMG Share (S\$)	0.010	0.004	0.004

Note:

- (1) Excludes S\$489.3 million and S\$51.4 million of goodwill and intangible assets held by the Healthcare Business and RSPH Group respectively as at 30 September 2018.

9.3 Earnings

	Before the Proposed Corporate Exercises	After the Proposed Distribution by way of Capital Reduction and BEFORE the Proposed Further Capital Reduction	After the Proposed Distribution by way of Capital Reduction and AFTER the Proposed Further Capital Reduction
Profit attributable to Shareholders (S\$'000)	6,623	10,316	10,316
Number of TMG Shares in issue	26,072,800,745	26,072,800,745	26,072,800,745
Earnings per TMG Share (cents)	0.025	0.040	0.040

9.4 Gearing

	Before the Proposed Corporate Exercises	After the Proposed Distribution by way of Capital Reduction and BEFORE the Proposed Further Capital Reduction	After the Proposed Distribution by way of Capital Reduction and AFTER the Proposed Further Capital Reduction
Total borrowings (S\$'000) ⁽¹⁾	607,954	577,941	577,941
Shareholders' equity (S\$'000)	720,577	564,604	564,604
Gearing (times) ⁽²⁾	0.84	1.02	1.02

Notes:

- (1) Total borrowings include bank borrowings and finance leases.
- (2) Gearing is determined based on total borrowings divided by Shareholders' equity.

10 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or the substantial shareholders has any interest, direct or indirect, in the Proposed Corporate Exercises other than through their respective shareholdings in the Company, if any.

11 FINANCIAL ADVISER

The Company has appointed PrimePartners Corporate Finance Pte. Ltd. as its financial adviser in respect of the Proposed Corporate Exercises.

12 CIRCULAR AND NOTICE OF EGM

The Circular to Shareholders containing further information in relation to the Proposed Corporate Exercises, together with a notice of the EGM, has been despatched to Shareholders today.

Shareholders are advised to refrain from taking any action in relation to their TMG Shares which may be prejudicial to their interests until they or their advisers have considered the information in the Circular, as well as the recommendations set out therein. An electronic copy of the Circular and the Notice of EGM will be made available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com.

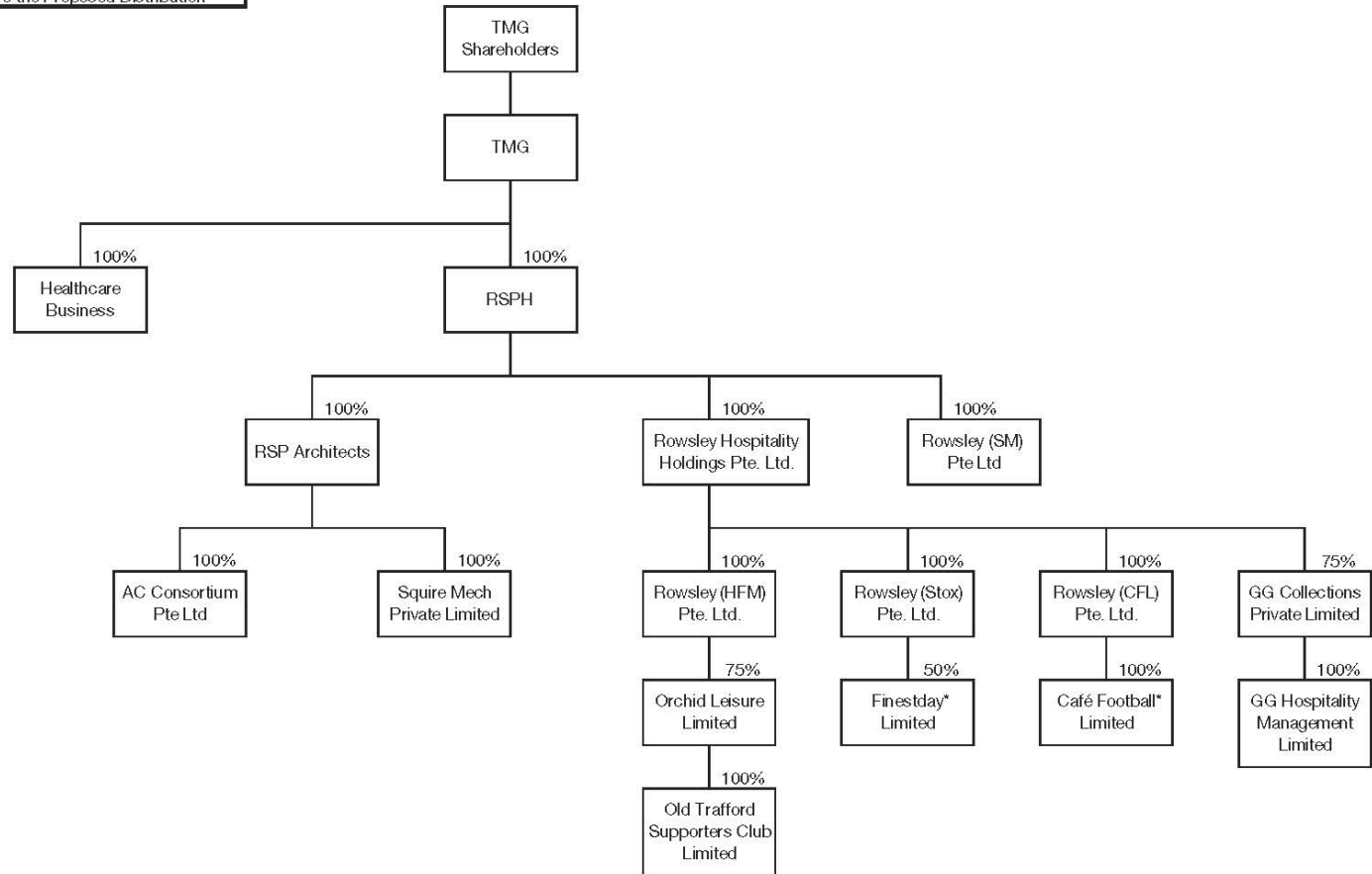
BY ORDER OF THE BOARD

Tan Wee Tuck
Executive Director and Chief Executive Officer, Real Estate
12 November 2018

APPENDIX Corporate Structures

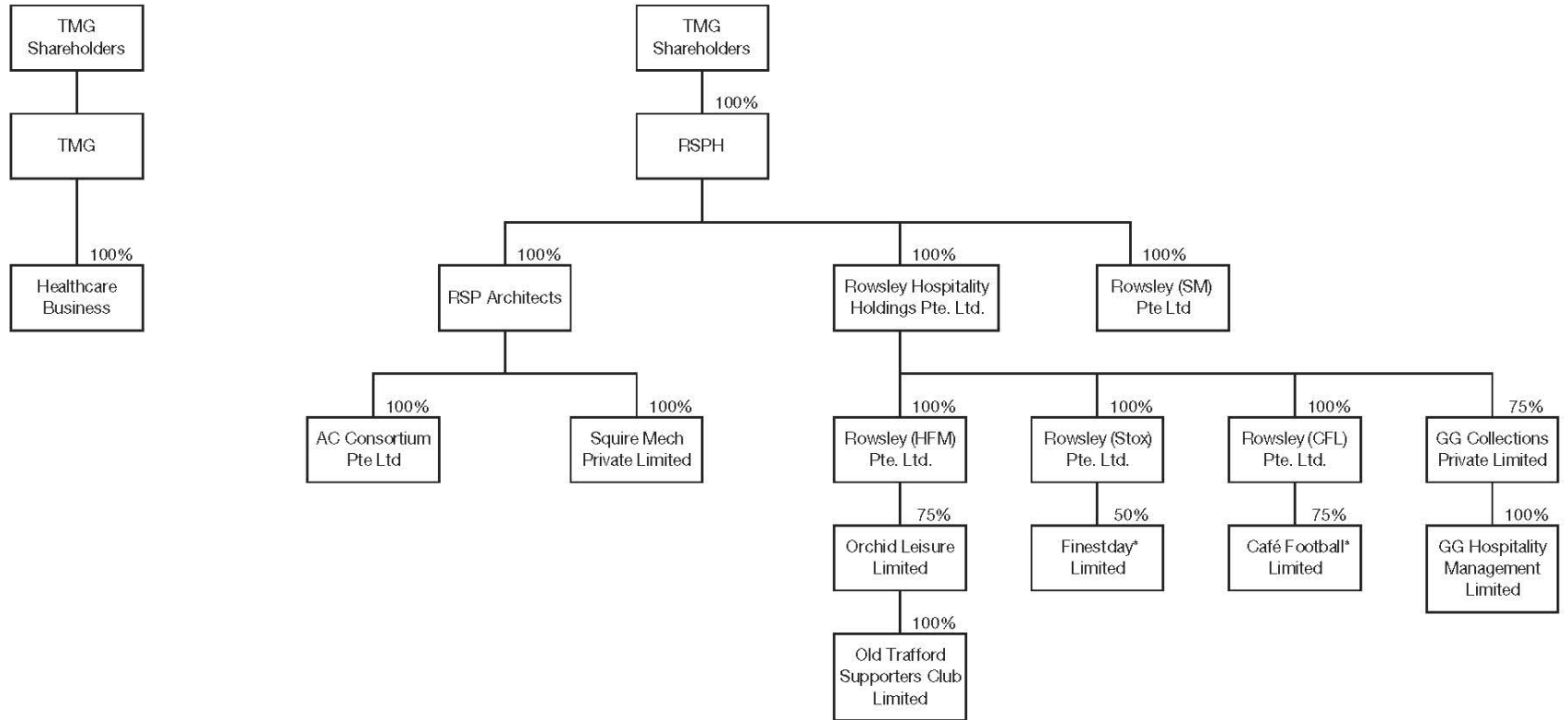
The corporate structures are for illustrative purposes only and are not exhaustive and are based on information available as at the Latest Practicable Date.

After Restructuring But before the Proposed Distribution



* Presently, the Company is exploring various options, including divestment, in respect of Finestday Limited and Café Football. Should such divestment materialise prior to the completion of the Proposed Distribution, the divested entities would accordingly be excluded from the RSPH Group.

After the Proposed Distribution



* Presently, the Company is exploring various options, including divestment, in respect of Finestday Limited and Café Football. Should such divestment materialise prior to the completion of the Proposed Distribution, the divested entities would accordingly be excluded from the RSPH Group.