

---

## Proposed Scrip Dividend Scheme

---

The Board of Directors (the "**Directors**") of Raffles Medical Group Ltd (the "**Company**") is pleased to announce a proposed scrip dividend scheme which will be called the Raffles Medical Group Ltd Scrip Dividend Scheme (the "**Proposed Scrip Dividend Scheme**"). The Proposed Scrip Dividend Scheme will be subject to the approval of shareholders of the Company ("**Shareholders**") in a general meeting to be convened. The terms and conditions of the Proposed Scrip Dividend Scheme will be set out in a circular ("**Circular**") to be despatched to Shareholders in due course.

Approval in-principle has been granted by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the new ordinary shares to be issued, credited as fully paid, pursuant to the Proposed Scrip Dividend Scheme ("**New Shares**"), subject to, *inter alia*, compliance with the listing requirements of the SGX-ST. Such approval-in-principle is not to be taken as an indication of the merits of the Company, its securities or the Proposed Scrip Dividend Scheme. The SGX-ST assumes no responsibility for any statements made, opinion expressed or reports contained herein.

### **RATIONALE AND PURPOSE OF THE PROPOSED SCRIP DIVIDEND SCHEME**

The Proposed Scheme, if and when adopted, will provide an opportunity for Shareholders to make an election to receive Dividend in the form of Shares, credited as fully paid-up instead of cash. It will enable Shareholders to participate in the equity capital of the Company without incurring brokerage fees, stamp duty and other related costs. The Company will also benefit from the participation by Shareholders in the Proposed Scheme as, to the extent that Shareholders elect to receive Dividend in the form of Shares, the cash which would otherwise be payable by way of cash dividend may be retained to fund the growth and expansion of the Group. The issue of Shares *in lieu* of cash Dividend under the Proposed Scheme will also enlarge the Company's share capital base and the retention of cash will strengthen its working capital position.

### **SUMMARY OF MAIN FEATURES OF THE PROPOSED SCRIP DIVIDEND SCHEME**

*The following is a summary of the main features of the Proposed Scrip Dividend Scheme. Detailed information of the Proposed Scrip Dividend Scheme will be set out in the Circular.*

The Proposed Scrip Dividend Scheme provides Shareholders with the option to elect to receive New Shares in lieu of part or all of the cash amount of any dividend or distribution (including any interim, final, special or other dividend or distribution) (the "**Dividend**") declared on their holding of Shares (after the deduction of applicable income tax).

All Shareholders are eligible to participate in the Proposed Scrip Dividend Scheme, subject to the restrictions on Overseas Shareholders (Shareholders with registered

address outside Singapore at the relevant Books Closure Date for a dividend), and further subject to the requirement that such participation by the Shareholder will not result in a breach of any other restriction on such Shareholder's holding of Shares which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or by the Articles.

Shareholders may elect to participate in respect of part or all of their holding of Shares for any Qualifying Dividend and may also make a permanent election to participate in respect of all their holding of Shares for all future Qualifying Dividends. For the avoidance of doubt, a Shareholder may make a permanent election to participate in respect of all (and not part only) of their holding of Shares for all future Qualifying Dividends. Where a permanent election has been made, participating Shareholders may cancel their participation and withdraw from the Proposed Scrip Dividend Scheme at any time, subject to giving appropriate notice in accordance with the Proposed Scrip Dividend Scheme.

The Directors may, in their absolute discretion, determine that the Proposed Scrip Dividend Scheme will apply to any particular Dividend (the "**Qualifying Dividend**"). An announcement will be made by the Company as soon as practicable following the determination by the Directors that the Proposed Scrip Dividend Scheme is to apply to a particular Dividend, and in any event, by no later than the next Market Day immediately following the Books Closure Date in respect of the Dividend.

New Shares allotted and issued under the Proposed Scrip Dividend Scheme will rank *pari passu* in all respects with the Shares then in issue save only as regards participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Proposed Scrip Dividend Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors shall otherwise specify.

Fractional entitlements to the New Shares will be rounded up to the nearest whole number or otherwise dealt with in such manner as the Directors may deem fit in the interests of the Company and which is acceptable to the SGX-ST.

## **HOW TO PARTICIPATE**

Participation in the Proposed Scrip Dividend Scheme is optional. A Shareholder wishing to receive New Shares in respect of any Qualifying Dividend or to make a permanent election to receive New Shares in respect of all (and not part only) of his future Qualifying Dividends to which a notice of election ("**Notice of Election**") received by him relates should complete the Notice of Election and return it to the Company at the address indicated on the Notice of Election or, as the case may be, to CDP.

To be effective in respect of any Qualifying Dividend to which a Notice of Election relates, such duly completed Notice of Election must be received by the Company or, as the case may be, CDP, no later than the date to be specified by the Directors in respect of that Qualifying Dividend.

## NOTE TO SHAREHOLDERS

The Shares are currently traded in board lots of 1,000 Shares. A Shareholder who elects to receive New Shares in lieu of the cash amount of the Qualifying Dividend may receive such New Shares in odd lots.

The attention of Shareholders is also drawn to Rule 14 of the Singapore Code on Takeovers and Mergers (the "**Takeover Code**"). In particular, a Shareholder should note that he may be under an obligation to extend a take-over offer for the Company if:

- (a) he acquires, by participating in the Proposed Scrip Dividend Scheme in relation to any Qualifying Dividend, whether at one time or different times, Shares which (together with Shares held or acquired by him or persons acting in concert with him) carry 30% or more of the voting rights of the Company; or
- (b) he, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of the Company and he, or any person acting in concert with him, acquire additional Shares by participating in the Proposed Scrip Dividend Scheme in relation to any Qualifying Dividend or otherwise in any period of six months, thereby increasing such percentage of the voting rights of the Company by more than 1%.

**The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under, the Takeover Code. Shareholders who are in doubt as to whether they would incur any obligation to make a takeover offer under the Takeover Code as a result of any acquisition of Shares through their participation in the Proposed Scrip Dividend Scheme are advised to consult their professional advisers and/or the Securities Industry Council of Singapore at the earliest opportunity.**

The Company takes no responsibility for the taxation liabilities of participating Shareholders or the tax consequences of any election made by Shareholders. As individual circumstances and laws vary considerably, specific tax advice should be obtained by Shareholders if they are in doubt or if they otherwise require. The Company takes no responsibility for the correctness or accuracy of any information as to taxation liability set out herein.

By Order of the Board

Kimmy Tay Kim Choon  
Company Secretary

1 April 2010