



ASIAMEDIC LIMITED
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(Incorporated in the Republic of Singapore)
(Company Registration No. 197401556E)

ENTRY INTO BUSINESS PURCHASE AGREEMENT

1. INTRODUCTION

The board of directors (the “**Board**”) of AsiaMedic Limited (the “**Company**”) wishes to announce that its wholly-owned subsidiary, AsiaMedic Astique The Aesthetic Clinic Pte. Ltd. (“**AATAC**”), had, on 10 July 2023 entered into a business purchase agreement (the “**Agreement**”) with LE Private Clinic Pte. Ltd. (the “**Vendor**”) to acquire the business of medical aesthetic services carried on by the Vendor as a going concern (the “**Proposed Acquisition**”).

The Proposed Acquisition shall be effected by way of the following:

- (a) the purchase of the business of the provision of medical aesthetic services and sale of aesthetic goods and products carried on by the Vendor (the “**Business**”) as a going concern; and
- (b) the purchase of the assets of the Vendor, which includes without limitation, the Clinic Management System software, all contracts (including but not limited to the existing contracts of the Vendor), fixed assets, licences, goodwill, stocks, intellectual property rights, technical information and records, and telecommunication assets of the Vendor, but excluding book debts, cash, liabilities, product and service liabilities, permits and approvals held by the Vendor to the extent that they are not assignable or transferable to the Company, and all assets owned and/or used by the Vendor other than for the Business or otherwise not selected by the AATAC (collectively, the “**Assets**”),

subject to the terms and conditions of the Agreement.

For the avoidance of doubt, AATAC is not purchasing the shares of the Vendor.

2. INFORMATION ON THE VENDOR

The Vendor owns the licensed aesthetics clinic known as “LE Private Clinic”. Save for the Business, the Vendor does not carry on any other businesses.

As at the date of the Agreement, Dr Lew Yi Ling, Eileen (“**Dr Eileen Lew**”) is the sole director of the Vendor, and the shareholders of the Vendor are Dr Eileen Lew, Mdm Peh Mee Hoon and Dr Seah Renyi, Benjamin (“**Dr Benjamin Seah**”), who respectively owns 24,000, 21,000 and 15,000 ordinary shares in the share capital of the Vendor, representing 40%, 35% and 25% of the entire issued and paid-up share capital of the Vendor.

Dr Eileen Lew is the sole doctor and medical director of LE Private Clinic. Mdm Peh Mee Hoon is the mother of Dr Eileen Lew and Dr Benjamin Seah is the spouse of Dr Eileen Lew. None of the shareholders of the Vendor are related to the Company and its directors, as well as the controlling shareholders of the Company.

3. BUSINESS PURCHASE AGREEMENT

3.1 Consideration and issue price of the Consideration Shares

The aggregate consideration for the Proposed Acquisition is S\$315,000 (the “**Consideration**”), which shall be satisfied by the allotment and issuance of (i) 30,000,000 new scrip shares of the Company (“**AML Scrip Shares**”) to the Vendor upon completion; and (ii) 5,000,000 new ordinary shares of the Company to the Vendor within five (5) business days of the Vendor providing the details of its sub-account with its depository agent to AATAC (collectively, the “**Consideration Shares**”).

The Consideration was arrived at arm’s length and on a willing-buyer willing-seller basis after taking into account prevailing market conditions, the valuation of the Business and Assets (as further detailed below), and the rationale for the Proposed Acquisition as disclosed in paragraph 4 below.

The Consideration Shares shall be allotted and issued as fully paid to the Vendor.

The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company and with each other.

The Consideration Shares, which represent approximately 3.13% of the existing issued and paid-up share capital (excluding treasury shares) of the Company as at the date of this announcement and approximately 3.03% of the enlarged share capital (excluding treasury shares) of the Company following the completion of the allotment and issue of Consideration Shares, shall be allotted and issued pursuant to the share issue mandate obtained at the Company’s annual general meeting held on 29 April 2023. An application will be made by the Company, through its sponsor, to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing and quotation of the Consideration Shares.

The issue price for each Consideration Share is S\$0.009 (the “**Issue Price**”) is the same as the volume weighted average price of S\$0.009 per ordinary share in the capital of the Company (“**Share**”) for trades done on the SGX-ST on 10 July 2023, being the full market day on which the Shares were traded up to the entry into the Agreement. The Issue Price was commercially agreed between the Company and the Vendor after arm’s length negotiations and taking into account historical trading performance of the Shares.

The Company confirms that the Consideration Shares are not issued to any person who is a Director or a substantial shareholder of the Company or any other person in the categories set out in Rule 812(1) of the Catalist Rules (as defined below), and will not result in any transfer of controlling interest in the Company.

3.2 Conditions Precedent

Completion of the Proposed Acquisition is conditional upon, *inter alia*, the following key conditions precedent:

- (a) the approval of the respective board of directors of the Company and AATAC being obtained for the entry into the Agreement and the transactions contemplated thereunder;
- (b) the approval in principle of the SGX-ST being obtained by the Company for the listing and quotation of the Consideration Shares on the Official List maintained by the SGX-ST in relation to Catalist Board of the SGX-ST, on terms acceptable to the Company;
- (c) the completion of the due diligence investigations by AATAC regarding the legal, financial, business, commercial, operational, contractual, tax and other affairs in respect of the Vendor, the Business and the Assets, the results of which are satisfactory to AATAC;
- (d) AATAC being satisfied, upon inspection and investigation, as to the title of the Vendor to the Assets;

- (e) AATAC being provided with an undertaking by the Vendor that the fixed assets purchased shall be transported and moved to AATAC's premises or to a location as mutually agreed by the Vendor and AATAC in writing, no later than seven (7) business days from the Completion Date (as defined below);
- (f) the Vendor having taken or caused to be taken all such action as may be necessary or desirable to enable good and marketable title to the Assets to vest in AATAC;
- (g) the Vendor having done all such acts and things as may be necessary under the Private Hospitals and Medical Clinics Regulations and any other applicable laws and regulations, in connection with the clinic licence issued to the Vendor to operate "LE Private Clinic", including but not limited to notifying the Director-General (as defined in the Private Hospitals and Medical Clinics Act 1980) and/or any other relevant authorities of the Vendor's intention to sell and/or dispose of the Business to AATAC;
- (h) the warranties given by the Vendor being true and accurate in all material respects as at the Completion Date;
- (i) such other consents or approvals (if any) as may be necessary from any third party, governmental or regulatory body or relevant competent authority having jurisdiction over the transactions contemplated under the Agreement to the entry into and completion of the Agreement by the Vendor and AATAC being granted or obtained and not withdrawn or revoked and if such consents or approvals are granted or obtained subject to any conditions, such conditions being acceptable to AATAC; and
- (j) the Vendor having complied with all of its covenants and obligations required to be complied or caused to be complied by it under the Agreement on or before the Completion Date.

Notwithstanding the conditions precedent set out above, AATAC may, at its sole and absolute discretion waive the fulfilment of any one or more of the conditions precedent of the Agreement.

3.3 Completion

Completion of the Proposed Acquisition shall take place not later than 21 business days after the date when the last of the conditions precedent is fulfilled, or waived or such later date as AATAC and the Vendor shall agree (the "**Completion Date**").

If however any of such conditions precedent is not fulfilled within 30 business days from the date of the Agreement, or such later date as AATAC and the Vendor may agree, the Agreement (save for the surviving provisions) shall *ipso facto* cease and determine and (save in respect of any breach by the Vendor in relation to the fulfilment of the conditions precedent) no party shall have any claim against the other for costs, damages, compensation or otherwise.

3.4 Lock-Up Period

Subject to paragraph 3.6 below, the Consideration Shares will be subject to a lock-up period of 36 months starting from the Completion Date (the "**Initial Lock-Up Period**"), during which period the Vendor shall not sell, transfer or dispose of or otherwise deal with the Consideration Shares, whether directly or indirectly.

Subject to paragraph 3.6 below, after the Initial Lock-Up Period, the Vendor shall not sell, transfer or dispose of or otherwise deal with more than:

- (a) one-third (1/3) of the Consideration Shares 12 months after the Initial Lock-Up Period;
- (b) the second one-third (1/3) of the Consideration Shares 24 months after the Initial Lock-Up Period; and
- (c) the remaining Consideration Shares 36 months after the Initial Lock-Up Period.

AATAC shall (and shall procure that the Company shall) use its best endeavours to assist the Vendor in its conversion of the AML Scrip Shares into scripless shares. AATAC shall be responsible for all costs incurred by the Vendor in relation to such conversions.

In the event the Central Depository (Pte) Limited rejects the conversion of the scrip shares (due to defects/irregularities in the share certificate(s) in respect of the AML Scrip Shares and/or deems the said share certificate(s) to be invalid and incapable of being converted for whatever reason, AATAC shall indemnify the Vendor against all losses, costs, proceedings, claims, demands and expenses which may be incurred by the Vendor as a result of any act, neglect, default or omission on the part of AATAC in relation to the aforesaid rejection.

For the avoidance of doubt, AATAC shall not be liable for any costs, proceedings, claims, demands and expenses which may be incurred by the Vendor as a result of any delay in conversion of the scrip shares by the Central Depository (Pte) Limited, unless such delay is as a result of any act, neglect, default or omission on the part of AATAC.

The Vendor shall procure that Dr Eileen Lew shall, at all times during the relevant periods above, legally and beneficially own not less than 40% of the entire issued and paid-up share capital of the Vendor. In the event that the Vendor is struck-off from the Register of Companies of Singapore during the relevant periods above, this provision shall no longer be applicable.

3.5 Employees

The Vendor agrees to procure Dr Eileen Lew to continue to manage, develop and promote the Business and enter into a service agreement with AATAC for a period of five (5) years from the date of commencement of her appointment ("**Bond Period**") ("**Service Agreement**").

As part of the Agreement, the existing two employees of the Vendor as at the date of the Agreement will also be transferred to AATAC.

3.6 Post-Completion

The Vendor undertakes to AATAC that for a five-year period starting from the Completion Date, the Vendor shall not (and shall procure that the relevant parties shall not) take steps to voluntarily wind up the Vendor or cause the Vendor to be struck-off from the Register of Companies of Singapore.

In the event that the Service Agreement is terminated for scenarios specified in the Agreement before the end of the Bond Period, the Vendor shall transfer such number of share certificate(s) representing the applicable number of AML Scrip Shares to AML at its own cost, based on the pre-agreed figures under the Agreement.

Upon receipt of the aforesaid share certificate(s), AATAC shall procure the Company to take steps to cancel the applicable number of AML Scrip Shares in accordance with the applicable laws and regulations, and the Vendor hereby irrevocably consents to the said cancellation of the AML Scrip Shares by the Company.

3.7 Restrictive Covenants

The Vendor covenants with AATAC that it shall not, without the prior consent in writing of AATAC, directly or indirectly:

- (a) either solely or jointly or on behalf of any other person, firm or partnership, company, corporation, association, organization or trust be interested in, own, carry on or be associated with any business of an aesthetic clinic or practice in Singapore that is similar to or competes with any aesthetic business being carried on by AATAC or any of its related corporations at any time after Completion and during the period while Dr Eileen Lew is employed or engaged by AATAC under the Service Agreement and for a period of six (6) months from the date on which Dr Eileen Lew's employment or engagement by AATAC thereunder ends (the "**Termination Date**"); and

- (b) the Vendor shall not at any time after Completion and during the period Dr Eileen Lew is employed or engaged by AATAC under the Service Agreement and for a period of 12 months from the Termination Date:
- (i) subject to paragraph 3.7(a) above, either solely or jointly or on behalf of any other person, firm or partnership, company, corporation, association, organization or trust be interested in, own, carry on or be associated with any business of an aesthetic clinic or practice in Singapore which is within 1 km of the aesthetic clinics owned by AATAC, including the LEPC-brand clinics (wherever each of such clinics may be located in Singapore);
 - (ii) solicit or entice away or attempt to solicit or entice away Dr Eileen Lew from AATAC or any of its related corporations;
 - (iii) solicit, or attempt to entice away from AATAC or any of its related corporations in Singapore the business of any person who is a patient, customer or client of AATAC or any of its related corporations in Singapore, in relation to an aesthetic business, save that such restriction shall not apply to any patient, customer or client responding to advertisements placed by the Vendor.

4. RATIONALE FOR THE PROPOSED ACQUISITION

LE Privat  Clinic is a boutique medical and laser aesthetics clinic established 10 years ago. The Board believes that the Business and Assets will strengthen the competitive advantage of the Group's current aesthetics business operated by AATAC. The Proposed Acquisition represents a good opportunity for the Group's aesthetics business to increase its revenue stream and to secure the services of Dr Eileen Lew to expand the number of doctors in the Group's aesthetics business.

5. VALUE OF THE BUSINESS AND ASSETS

The unaudited net tangible value of the Business and Assets as at 31 December 2022 was approximately S\$23,000, based on the management accounts of the Vendor as at 31 December 2022. Based on the business valuation of the Business and Assets (valued using the discounted cash flow approach) by Chay Corporate Advisory Pte. Ltd. commissioned by AATAC (the "Valuation Report"), the range of implied enterprise values for the Business and Assets is between S\$0.70 million and S\$0.73 million, with a base value of S\$0.72 million.

6. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE LISTING RULES (SECTION B: RULES OF CATALIST) OF THE SGX-ST (THE "CATALIST RULES")

- 6.1 The relative figures in relation to the Proposed Acquisition are computed on the applicable bases set out in Catalist Rule 1006, based on the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2022 ("FY2022") and the unaudited accounts of the Vendor for FY2022 are as follows:

Catalist Rule 1006	Bases of Calculation	Relative Figures
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not Applicable ⁽¹⁾
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	2.75% ⁽²⁾

Catalist Rule 1006	Bases of Calculation	Relative Figures
(c)	The aggregate value of the Consideration given compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	3.39% ⁽³⁾
(d)	The number of equity securities issued by the Company as Consideration for the purchase, compared with the number of equity securities previously in issue.	3.13% ⁽⁴⁾
(e)	The aggregate volume or amount proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.	Not Applicable ⁽⁵⁾

Notes:

- (1) Rule 1006(a) of the Catalist Rules is not applicable to an acquisition of assets.
- (2) As the Business and Assets comprise only selected business assets, it is impractical to attribute a net profit to the Business and Assets. Nevertheless, for purposes of complying with this disclosure requirement, the Company has computed this relative value based on the unaudited net profit of the Vendor of approximately S\$60,000 for FY2022.
- (3) The relative figure for Catalist Rule 1006(c) was computed based on the value of Consideration Shares of S\$342,058 divided by the Company's market capitalisation of approximately S\$10,075,700.

The value of Consideration Shares of S\$342,058 is calculated based on the higher of the net asset value per Share as at 31 December 2022 of S\$0.0098 (as compared to the volume weighted average price the Shares as set out below) and the 35,000,000 Consideration Shares.

The Company's market capitalisation is calculated on the basis of 1,119,522,270 Shares in issue (excluding treasury shares) and the volume weighted average price of S\$0.009 on 6 July 2023, being the last market day preceding the date of the Agreement on which Shares were last traded on the SGX-ST.
- (4) The relative figure for Catalist Rule 1006(d) was computed based on 35,000,000 Consideration Shares to be issued as compared against the Company's issued share capital of 1,119,522,270 Shares (excluding treasury shares).
- (5) The Company and the Business are not a mineral, oil and gas company/assets.

6.2 None of the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules in respect of the purchase of the Business and Assets exceeds 5%. Accordingly, the purchase constitutes a non-disclosable transaction within the meaning of Chapter 10 of the Catalist Rules read with paragraph 4.3(b) of Practice Note 10A of the Catalist Rules. However, as the Company is issuing the Consideration Shares, the Company is announcing the purchase of the Business and Assets, and this announcement complies with the requirement under Chapter 10 of the Catalist Rules.

7. Financial Effects

7.1 The financial effects of the Proposed Acquisition have been prepared based on the audited financial statements of the Group for the FY2022 and the unaudited accounts of the Vendor for FY2022.

For illustrative purposes, the financial effects have been prepared based on, *inter alia*, the following assumptions:

- (a) the financial effects on the net tangible asset (“**NTA**”) per Share of the Group are computed assuming that the purchase of the Business and Assets was completed on 31 December 2022;
- (b) the financial effects on the earnings per Share (“**EPS**”) of the Group are computed assuming that the purchase of the Business and Assets was completed on 1 January 2022; and
- (c) the costs and expenses in connection with the purchase of the Business and Assets shall be disregarded.

Financial Effects on the NTA per Share

	Before completion	After completion
NTA as at 31 December 2022 (S\$'000)	10,941	10,964
Number of Shares, excluding treasury shares and subsidiary holdings	1,119,522,270	1,154,522,270
NTA per Share (Singapore cent)	0.98	0.95

Financial Effects on the EPS of the Group

	Before completion	After completion
Net earnings for FY2022 (S\$'000)	2,186	2,246
Weighted average number of Shares in the Company, excluding treasury shares and subsidiary holdings	1,119,522,270	1,154,522,270
EPS (Singapore cent)	0.20	0.20

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors and controlling shareholders of the Company has any interest, direct or indirect, in the purchase of the Business and Assets, other than through their shareholdings in the Company, if any.

9. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director in connection with the purchase of the Business and Assets. The Service Agreement to be entered into with Dr Eileen Lew does not constitute a director's service contract.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement and the Valuation Report will be made available during normal business hours at the Company's registered address at 350 Orchard Road, #08-00 Shaw House, Singapore 238868 for three (3) months from the date of this announcement.

By Order of the Board

Foo Soon Soo (Ms)
Company Secretary

10 July 2023

This announcement has been reviewed by the Company's Sponsor, Xandar Capital Pte Ltd. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Ms Pauline Sim (Registered Professional, Xandar Capital Pte Ltd) at 3 Shenton Way, #24-02 Shenton House, Singapore 068805. Telephone number: (65) 6319 4954.