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**ASIAN HEALTHCARE SPECIALISTS LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 201727543R)

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**TERM SHEET FOR THE  
PROPOSED ACQUISITION OF A 51.0% INTEREST IN CORNERSTONE ASIA HEALTH PTE. LTD.**

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**1. INTRODUCTION**

The board of directors (the “**Board**” or the “**Directors**”) of Asian Healthcare Specialists Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into a term sheet on 4 July 2019 (the “**Term Sheet**”) with Cornerstone Asia Health Pte. Ltd. (the “**Target**”) and its shareholders<sup>1</sup> (the “**Vendors**”) to acquire an aggregate of 51.0% of the issued and paid-up shares in the Target (the “**Proposed Acquisition**”).

The Term Sheet is intended to set out the basis for further discussion in respect of the Proposed Acquisition and is not intended to be legally binding between the parties, except for provisions relating to the Issue Price (as defined herein), confidentiality, exclusivity and governing law. The Term Sheet is subject to the parties entering into definitive agreements (the “**Definitive Agreements**”) and further details will be announced in the event the Definitive Agreements are entered into by the parties.

**2. INFORMATION ON THE PROPOSED ACQUISITION**

**2.1 Information on the Target**

The principal activities of the Target and its subsidiaries (the “**Target Group**”) lie in the provision of multidisciplinary healthcare services across different specialisations, offering key services in ophthalmology, urology, dermatology and gastroenterology as well as family medicine. The Target Group’s operations in the five medical disciplines comprise eight specialists and family medicine clinics that are founded by doctors who each have over 20 years of experience in their respective fields. There are currently five specialists and medical doctors in the Target Group operating the eight specialists and family medicine clinics.

**2.2 Consideration**

The consideration payable by the Company for the Proposed Acquisition (“**Consideration**”) is expected to be thirteen times of the Target Group’s consolidated profit after tax (“**PAT**”) for the financial year ended 30 June 2019, adjusted for, *inter alia*, (i) the entry into long-term employment agreements between the Target Group and its medical specialists on terms to be agreed, (ii) the adjustment of non-recurring professional expenses or expenses incurred by the Target Group, and

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<sup>1</sup> Dr. Ng Tay Meng, Mak Yuet Kuen, Eleen, Dr. Seah Sheng Heang Geoffry, Dr. Khoo Shih Wee @ Lawrence Khoo, Chin Lee Kuen, Dr. Ho Siew Hong, Chong Mei Ling, Dr. Cheng Ching Li, Lau Hui Ming Winnie and Bluecove Investments Pte. Ltd.

(iii) recurring expenses estimated to be incurred as a subsidiary of a listed entity. All adjustments to the PAT for the purposes of calculating the Consideration have to be agreed by the parties.

The Consideration to be paid by the Company for the Proposed Acquisition will be satisfied by (i) newly issued ordinary shares in the share capital of the Company ("**Consideration Shares**") at an issue price of S\$0.26<sup>2</sup> per share ("**Issue Price**")<sup>3</sup>, and (ii) cash of S\$5,000,000 ("**Cash Consideration**").

Full details of the allocation of the Consideration Shares and the Cash Consideration will be set out in the Definitive Agreements. It is currently anticipated that a portion of the Consideration Shares to be issued will be subject to a five-year moratorium (to be released within such period in tranches).

### **2.3 Conditions Precedent**

The Proposed Acquisition is subject to various conditions precedent, including:

- (a) completion of satisfactory legal, financial and tax due diligence by the Company on the Target Group; and
- (b) if required, approval by the shareholders of the Company.

### **2.4 Exclusivity and Validity Period**

The Vendors have agreed to exclusively negotiate the Proposed Acquisition with the Company for a period of three months commencing from the date of the Term Sheet (the "**Exclusivity Period**").

The Term Sheet shall automatically terminate upon (i) the execution of the Definitive Agreements by the parties; (ii) mutual consent of the parties in writing; or (iii) the expiry of the Exclusivity Period (unless otherwise extended by the parties in writing), whichever date being the earliest.

## **3. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective directorships and shareholdings in the Company.

## **4. FURTHER ANNOUNCEMENTS**

The Company will, in compliance with applicable rules (including the Corporate Disclosure Policy under Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited make further announcements), make the relevant announcements at the appropriate time when there are material developments in respect of the Proposed Acquisition.

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<sup>2</sup> The Issue Price is at a discount of 1.4% to the volume weighted average price of S\$0.2637 for trades done on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the full market day on 4 July 2019, being the full market day prior to which the Term Sheet was signed.

<sup>3</sup> as adjusted for any share consolidation or share sub-division or any changes to the share capital of the Company.

By Order of the Board of  
**Asian Healthcare Specialists Limited**

Dr Chin Pak Lin  
Executive Chairman and CEO  
5 July 2019

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by 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.*

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