ASIAMEDIC LIMITED

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

THE PROPOSED PLACEMENT OF 51,500,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

1. INTRODUCTION

The Board of Directors (the "**Board**") of AsiaMedic Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company is proposing the placement of 51,500,000 new ordinary shares in the capital of the Company comprising:

(i) 40,000,000 new ordinary shares in the capital of the Company (the "**Third Party Placement Shares**") to Mr Ngiam Mia Hai Bernard, Mr Ngiam Mia Hong Alfred and Mr Ngiam Mia Kiat Benjamin (collectively, the "**Subscribers**") at the placement price of S$0.055 for each new ordinary share (the "**Placement Price**") for the aggregate consideration of S$2,200,000 (the "**Proposed Third Party Placement**"); and

(ii) 11,500,000 new ordinary shares in the capital of the Company (the "**Directors Placement Shares**") to Mr Tan Soo Kiat and Mr Koh Boon How, each a Non-Executive and Non-Independent Director of the Company (collectively, the "**Director Placees**") at the Placement Price of S$0.055 for each new ordinary share, for the aggregate consideration of S$632,500 (the "**Proposed Directors Placement**"),

(collectively, the "**Proposed Placement**").

The Company is undertaking the Proposed Placement to raise funds for the Group as further detailed in paragraph 5 of this announcement.

2. THE PROPOSED PLACEMENT

2.1 The Proposed Third Party Placement

The Company has on 7 December 2015 entered into separate subscription agreements with each of the Subscribers pursuant to which the Subscribers agreed to subscribe for, and the Company agreed to allot and issue to the Subscribers, an aggregate of 40,000,000 Third Party Placement Shares at the Placement Price (the "**Third Party Subscription Agreements**") as follows:

Subscribers	Number of Third Party Placement Shares	Aggregate consideration payable by Subscribers (S$)	As a percentage of existing issued share capital as at the date of this announcement [(1)]	As a percentage of enlarged issued share capital of the Company [(2)]
Ngiam Mia Hai Bernard	18,570,000	1,021,350.00	5.48	4.76
Ngiam Mia Hong Alfred	18,570,000	1,021,350.00	5.48	4.76

Subscribers	Number of Third Party Placement Shares	Aggregate consideration payable by Subscribers (S$)	As a percentage of existing issued share capital as at the date of this announcement [(1)]	As a percentage of enlarged issued share capital of the Company [(2)]
Ngiam Mia Kiat Benjamin	2,860,000	157,300.00	0.84	0.73
TOTAL	40,000,000	2,200,000.00	11.80	10.24 [(3)]

Notes:

(1) Based on existing issued share capital of 338,988,125 Shares of the Company.

(2) Based on enlarged issued share capital of 390,488,125 Shares after the issue of 51,500,000 Third Party Placement Shares and Directors Placement Shares.

(3) Does not add up due to rounding.

2.2 The Proposed Directors Placement

The Company has on 7 December 2015 entered into separate subscription agreements with each of the Director Placees, pursuant to which the Director Placees agreed to subscribe for, and the Company agreed to allot and issue to the Director Placees, an aggregate of 11,500,000 Directors Placement Shares at the Placement Price (the "**Directors Subscription Agreements**") as follows:

Director Placees	Number of Directors Placement Shares	Aggregate consideration payable by Director Placees (S$)	As a percentage of existing issued share capital as at the date of this announcement [(1)]	As a percentage of enlarged issued share capital of the Company [(2)]
Tan Soo Kiat	9,000,000	495,000.00	2.65	2.30
Koh Boon How	2,500,000	137,500.00	0.74	0.64
TOTAL	11,500,000	632,500.00	3.39	2.95 [(3)]

Notes:

(1) Based on existing issued share capital of 338,988,125 Shares of the Company.

(2) Based on enlarged issued share capital of 390,488,125 Shares after the issue of 51,500,000 Third Party Placement Shares and Directors Placement Shares.

(3) Does not add up due to rounding.

Rules 804 and 812 of the Catalist Rules provide that, except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment.

Accordingly, the Company will be seeking shareholders' approval for the Proposed Directors Placement.

2.3 The Authority to issue the Third Party Placement Shares and the Directors Placement Shares

The Third Party Placement Shares and the Directors Placement Shares will be issued under the authority of the general share issue mandate obtained by the Company at its last annual general meeting held on 30 April 2015 (the "**Share Issue Mandate**") and the issue of such Shares in itself is not subject to the approval of shareholders. However, shareholders' approval is required to be sought for the issue of the Directors Placement Shares to the Director Placees pursuant to Rules 804 and 812 of the Catalist Rules.

Pursuant to the Share Issue Mandate, the Directors are authorised to, *inter alia*, allot and issue Shares in the Company at any time and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of Shares in the Company to be issued other than on a *pro rata* basis to existing shareholders shall not exceed 50% of the issued share capital of the Company (excluding treasury shares) as at 30 April 2015 (the "**AGM Date**").

As at the AGM Date, the issued share capital of the Company comprised 338,988,125 Shares. Therefore, the share base of the Company for the computation of the number of Shares which may be issued pursuant to the Share Issue Mandate is 338,988,125 Shares (the "**Share Base**") and the maximum number of new Shares which may be issued (other than on a *pro rata* basis to existing shareholders) pursuant to the Share Issue Mandate is 169,494,062 Shares.

No Shares have been previously issued under the Share Issue Mandate prior to the Proposed Placement. Accordingly, the Company may issue up to 169,494,062 Shares other than on a *pro rata* basis by the date of the next annual general meeting. The aggregate number of 40,000,000 Third Party Placement Shares to be issued pursuant to the Proposed Third Party Placement represents approximately 11.80% of the Share Base. The aggregate number of 11,500,000 Directors Placement Shares to be issued pursuant to the Proposed Directors Placement represents approximately 3.39% of the Share Base. Collectively, the 51,500,000 Directors Placement Shares and Third Party Placement Shares to be issued represents approximately 15.19% of the Share Base, or approximately 13.19% of the Company's enlarged issued share capital of 390,488,125 Shares after completion of the Proposed Placement.

The Third Party Placement Shares and the Directors Placement Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights and entitlements similar to existing ordinary shares of the Company ("**Shares**"), except that the Third Party Placement Shares and the Directors Placement Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of the issue of the Third Party Placement Shares and the Directors Placement Shares.

2.4 The Proposed Placement as a private placement

The offer of the Third Party Placement Shares and Directors Placement Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. Accordingly, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

3. TERMS OF THE PROPOSED PLACEMENT

3.1 Conditions precedent

The completion of the Proposed Third Party Placement and the completion of the Proposed Directors Placement are conditional upon, *inter alia*:

(a) the listing and quotation notice ("**LQN**") of the Third Party Placement Shares and the Directors Placement Shares on the Catalist of the SGX-ST being obtained from the SGX-ST via the sponsor of the Company, Xandar Capital Pte Ltd (the "**Sponsor**") and not revoked or amended as at the date of completion of the Proposed Third Party Placement and the date of completion of the Proposed Directors Placement (as the case may be) and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Company or the Subscribers or the Director Placees (as the case may be) (the "**Listing Approval**");

(b) the Share Issue Mandate being valid, subsisting and adequate for the purposes of the issue of the Third Party Placement Shares and the Directors Placement Shares as at their respective completion dates;

(c) the issue and subscription of the Third Party Placement Shares and Directors Placement Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the respective subscription agreements by any applicable legislative, executive or regulatory body or authority of Singapore;

(d) there having been no occurrence of any event or discovery of any fact rendering any of the warranties in the respective subscription agreements untrue or incorrect in any material respect as at the respective completion dates of the Proposed Third Party Placement and the Proposed Directors Placement as if they had been given again on the respective completion dates; and

(e) the Company and the Subscribers or the Director Placees (as the case may be) not being in breach of any of the undertakings and the covenants in the respective subscription agreements as at the respective completion dates.

In addition, the Proposed Directors Placement will be conditional upon the Company having obtained shareholders' approval for the issue of the Directors Placement Shares to the Director Placees in compliance with the Catalist Rules.

If any of the conditions set forth is not satisfied on or before the date falling on the expiration of 3 months from the date of the respective Third Party Subscription Agreements and the Directors Subscription Agreements (or such later date as the Company and the Subscribers or the Director Placees (as the case may be) may agree), the Company or the Subscribers or the Director Placees (as the case may be) shall be entitled to terminate the relevant subscription agreement(s) and in such event the parties to such subscription agreement(s) shall be released and discharged from their respective obligations and claims against each other thereunder provided.

The Sponsor will make an application on behalf of the Company to the SGX-ST for the Listing Approval. An announcement of the receipt of the LQN in relation to the Third Party Placement Shares and the Directors Placement Shares will be made in due course when the LQN is obtained.

3.2 Placement Price

The Placement Price of S$0.055 represents a discount of approximately 9.8% on the volume weighted average price of the Shares traded on the SGX-ST on the full market day on which the Third Party Subscription Agreements and Directors Subscription Agreements were signed and on which the Shares were traded.

The Placement Price was agreed upon following arm's length negotiations between the Company, the Subscribers and the Director Placees, taking into consideration, the performance of the Shares traded on the SGX-ST as well as the recent corporate development of the Group as announced by the Company.

4. DETAILS OF THE SUBSCRIBERS AND THE DIRECTOR PLACEES

4.1 The details of each Subscriber are set out below:

Name of Subscriber	Details of the Subscriber
Mr Ngiam Mia Hai Bernard	Financial investor
Mr Ngiam Mia Hong Alfred	Financial investor
Mr Ngiam Mia Kiat Benjamin	Financial investor

The Subscribers have no connection (including business relationships) with the Company, its Directors and substantial shareholders, and are not persons to whom the Company is prohibited from issuing Shares to, as provided for by Rule 812 of the Catalist Rules.

Mr Ngiam Mia Kiat Benjamin was introduced to the Company by Mr Tan Soo Kiat, who is a Non-Executive Director of the Company. Mr Ngiam Mia Kiat Benjamin introduced his brothers Mr Ngiam Mia Hai Bernard and Mr Ngiam Mia Hong Alfred to the Company. No introducer fee or referral fee is payable by the Company.

4.2 Mr Tan Soo Kiat and Mr Koh Boon How are each a Non-Executive and Non-Independent Director of the Company.

Placement shares were offered to the Directors and the Director Placees have agreed to subscribe for the Directors Placement Shares.

4.3 No placement agent has been appointed by the Company in respect of the Proposed Placement.

5. RATIONALE AND USE OF PROCEEDS

The Group is raising funds to strengthen the equity position of the Company and allow the Group to be better positioned to capitalise on business opportunities as and when they arise. The Directors have considered various methods of fund raising including a rights issue and have concluded that a placement is the most feasible method at this stage.

The estimated net proceeds to be raised from the Proposed Placement (net of the estimated expenses of approximately S$22,000 in connection with the Proposed Placement) is approximately S$2,810,500 (collectively, the "**Net Proceeds**").

The Company intends to utilise the entire Net Proceeds for the expansion of its healthcare business, including the purchase of medical and other equipment, as well as for upgrading of operational facilities.

The Company undertakes to make periodic announcements on the use of the Net Proceeds as and when such proceeds are materially disbursed and will report on the use of the Net Proceeds in the annual report(s) of the Company, until such time when such proceeds have been fully utilised. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the Net Proceeds, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any

other purposes on a short term basis as the Directors may in their absolute discretion deem fit, from time to time.

6. CONFIRMATION BY THE DIRECTORS

The Directors are of the opinion that:

(a) after taking into consideration the present bank facilities available to the Group, the working capital available to the Group is sufficient to meet its present requirements. Nevertheless, the Company is still proceeding with the Proposed Placement as:

(i) the Company intends to expand its healthcare business;

(ii) the Proposed Placement will strengthen the equity position of the Company and allow the Group to be better positioned to capitalise on business opportunities as and when they arise; and

(b) after taking into consideration the present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

7. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The financial effects of the Proposed Placement set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Proposed Placement. The table below sets out the financial effects of the Proposed Placement based on the following bases and assumptions:

(a) the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 ("**FY2014**");

(b) the Net Proceeds from the Proposed Placement is approximately S$2,810,500;

(c) the financial impact on the consolidated net tangible assets ("**NTA**") per Share is computed based on the assumption that the Proposed Placement was completed on 31 December 2014;

(d) the financial impact on the consolidated earnings per share ("**EPS**") is computed based on the assumption that the Proposed Placement was completed on 1 January 2014; and

(e) the financial impact on the gearing ratio is computed based on the assumption that the Proposed Placement was completed on 31 December 2014.

	Before completion of the Proposed Placement	**After completion of the Proposed Placement**
Share capital (S$'000)	21,951	24,761
Number of Shares [(1)]	338,988,125	390,488,125
NTA [(2)] (S$'000)	11,787	14,597
NTA per Share (Singapore cents)	3.48	3.74
EPS (Singapore cents)	0.20	0.17
Gearing [(3)] (times)	0.34	0.28

Notes:

(1) Excluding 100,000 treasury shares.

(2) NTA equals total equity before non-controlling interests less goodwill and intangible asset.

(3) Gearing equals total borrowings over total equity.

8. PROPOSED DIRECTORS PLACEMENT BEING INTERESTED PERSON TRANSACTIONS

Pursuant to the Proposed Directors Placement, by aggregating the consideration payable by each of the Director Placees, the aggregate value of interested person transactions to be entered into by Mr Tan Soo Kiat and Mr Koh Boon How will amount to S$495,000 and S$137,500 respectively, which represent approximately 4.20% and 1.17% of the NTA of the Group for the financial year ended 31 December 2014, respectively.

Based on Rule 921(4)(b)(i) of the Catalist Rules, the Company is not required to appoint an independent financial adviser to advise the independent Directors as to whether the Proposed Directors Placement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders. However, the views of the Audit Committee of the Company in the form required in Rule 917(4)(a) of the Catalist Rules must be disclosed.

The Audit Committee of the Company (excluding Mr. Tan Soo Kiat who is interested in the Proposed Directors Placement), after taking into consideration the rationale and the benefit for the Proposed Directors Placement, is of the opinion that the Proposed Directors Placement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

Save for the Proposed Directors Placement, the Group has not entered into any interested person transaction with Mr Tan Soo Kiat and Mr Koh Boon How for the current financial year ending 31 December 2015.

9. SHAREHOLDING EFFECTS OF THE PROPOSED PLACEMENT

Upon the completion of the Proposed Placement, the Company's issued share capital will increase from 338,988,125 Shares to 390,488,125 Shares (the "**Enlarged Share Capital**").

The shareholding effects of the Proposed Placement to the existing shareholders of the Company are set out below:

Name	Number of Shares before the Proposed Placement	As a percentage of the total share capital before the Proposed Placement (%)	Number of Shares after the Proposed Placement	As a percentage of the total share capital after the Proposed Placement (%)
Luye Medicals Group Pte. Ltd.(1)	95,431,396	28.15	95,431,396	24.44
Luye Medicals Investment Pte. Ltd.(2)	95,431,396	28.15	95,431,396	24.44
Luye Group Ltd(3)	95,431,396	28.15	95,431,396	24.44
Nelumbo Investments Limited(4)	95,431,396	28.15	95,431,396	24.44
The Asoka Trust(5)	95,431,396	28.15	95,431,396	24.44

Name	Number of Shares before the Proposed Placement	As a percentage of the total share capital before the Proposed Placement (%)	Number of Shares after the Proposed Placement	As a percentage of the total share capital after the Proposed Placement (%)
Liu Dianbo[(6)]	95,431,396	28.15	95,431,396	24.44
Wang Cuilian[(6)]	95,431,396	28.15	95,431,396	24.44
Aona Liu[(6)]	95,431,396	28.15	95,431,396	24.44
Alina W Liu[(6)]	95,431,396	28.15	95,431,396	24.44
Subscribers	-	-	40,000,000	10.24
Director Placees	-	-	11,500,000	2.95
Public	243,556,729	71.85	243,556,729	62.37

Notes:

(1) Luye Medicals Group Pte. Ltd. holds its Shares in the Company directly.
(2) Luye Medicals Investment Pte. Ltd. holds 100% of the issued and paid up share capital of Luye Medicals Group Pte. Ltd. and is deemed interested in the Shares that Luye Medicals Group Pte. Ltd. has an interest in.
(3) Luye Group Ltd holds 100% of the issued and paid up share capital of Luye Medicals Investment Pte. Ltd. and is deemed to be interested in the Shares that Luye Medicals Investment Pte. Ltd. has an interest in.
(4) Nelumbo Investments Limited holds 70% of the issued and paid up share capital of Luye Group Ltd and is deemed to be interested in the Shares that Luye Group Ltd has an interest in.
(5) The shares representing 100% of the issued and paid up share capital of Nelumbo Investments Limited are held as trust property of The Asoka Trust. Accordingly, The Asoka Trust is deemed interested in the Shares that Nelumbo Investments Limited has an interest in.
(6) Liu Dianbo, Wang Cuilian, Aona Liu and Alina W Liu are the beneficiaries under The Asoka Trust and are deemed to be interested in the Shares that The Asoka Trust has an interest in.

There will be no change in control in the Company pursuant to the completion of the Proposed Placement.

10. CIRCULAR

As the Proposed Directors Placement is conditional upon the Company having obtained shareholders' approval for the issue of the Directors Placement Shares to the Director Placees, a circular to the shareholders containing, *inter alia*, information on the Proposed Directors Placement will be despatched to the shareholders in due course.

For avoidance of doubts, shareholders' approval is not required for the Proposed Third Party Placement.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Placement.

12. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their Shares and should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

13. RESPONSIBILITY STATEMENT

The Directors of the Company, collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Subscription, the Company and its subsidiaries, and the Directors of the Company are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors of the Company has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the subscription agreements are available for inspection at the Company's registered office at 350 Orchard Road #08-00 Shaw House Singapore 238868 during normal business hours for a period of three (3) months commencing from the date of this announcement.

BY ORDER OF THE BOARD

Ms Foo Soon Soo
Company Secretary

7 December 2015

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Xandar Capital Pte Ltd (the "**Sponsor**"), for compliance with the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").The Sponsor has not independently verified the contents of this announcement including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements made, opinions expressed or reports contained in this announcement. This announcement has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume 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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