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ASIAN HEALTHCARE SPECIALISTS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201727543R)

**COMPLETION OF ACQUISITION OF CORNERSTONE ASIA HEALTH PTE. LTD. AND
RECONSTITUTION OF THE BOARD**

1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of Asian Healthcare Specialists Limited (the "**Company**") refers to the announcements made by the Company on 5 July 2019, 2 October 2019, 4 December 2019 and 23 December 2019 (collectively, the "**Announcements**") in relation to the acquisition by the Company of an aggregate of 51.0% of the issued and paid-up shares in Cornerstone Asia Health Pte. Ltd. ("**CAH**") from the Vendors (the "**Acquisition**").

Unless otherwise defined herein, all capitalised terms used in this announcement shall have the same meaning ascribed to them in the Announcements.

2. COMPLETION OF THE ACQUISITION

- 2.1 The Board is pleased to announce Completion of the Acquisition has taken place today and CAH is now a subsidiary of the Company. Pursuant to the Completion of the Acquisition, the Company has issued and allotted the Consideration Shares to the Vendors and/or their designated nominees as set out in the Appendix to this announcement. The Cash Consideration of S\$5,000,000 was funded by the proceeds of the placement of 46,900,000 Shares in April 2018 in conjunction with the Company's listing on Catalist.
- 2.2 The Consideration Shares will rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company as at the date of completion of the Acquisition.
- 2.3 Consequent to the allotment and issuance of the Consideration Shares, the total issued and paid up number of ordinary shares in the capital of the Company has increased from 325,892,857 ordinary shares to 430,064,237 ordinary shares. The Consideration Shares represent approximately 24.22% of the enlarged issued and paid up share capital of the Company.
- 2.4 The listing and quotation of the Consideration Shares on Catalist is expected to take place with effect from 9.00 a.m. on 21 February 2020.
- 2.5 The listing and quotation of the Consideration Shares is not to be taken as an indication of the merits of the Acquisition, the Consideration Shares, the Shares, the Company and/or the Group.

3. APPOINTMENT OF EXECUTIVE DIRECTOR

In connection with the Acquisition, Dr Cheng Ching Li has been appointed as an Executive Director of the Company with effect from the date hereof. The Board considered and accepted the Nominating Committee's recommendation to appoint Dr Cheng Ching Li as an Executive Director after reviewing his working experience. Further details in relation to the appointment of Dr Cheng Ching Li, as required under Rule 704(6) of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), will be set out in a separate announcement released today.

4. APPOINTMENT AS INDEPENDENT CHAIRMAN

In conjunction with Dr Cheng Ching Li's appointment as an Executive Director of the Company, Dr Chin Pak Lin will step down from his position as Chairman of the Board with effect from the date hereof. He will continue to serve on the Board as an Executive Director and Chief Executive Officer of the Company.

The current Lead Independent Director of the Company, Mr Leow Chung Chong Yam Soon ("**Mr Leow**"), has been appointed as Chairman of the Board with effect from the date hereof. He continues to be Chairman of the Audit and Risk Management Committee and a member of the Remuneration and Nominating Committees. The Board, having considered the views of the Nominating Committee, is satisfied with the appointment of Mr Leow, currently the Lead Independent Director, as Chairman of the Board of Directors.

Following the above changes, the Board now comprises six directors, three of whom are independent directors and the composition of the Board is as follows:

Board of Directors

Mr. Leow Chung Chong Yam Soon	- Non-Executive Chairman and Lead Independent Director
Dr. Chin Pak Lin	- Executive Director and Chief Executive Officer
Dr. Yue Wai Mun	- Executive Director and Chief Medical Officer
Dr. Cheng Ching Li	- Executive Director
Mr. Siek Wei Ting (Xie Weiting)	- Independent Non-Executive Director
Mr. Vikram Nair	- Independent Non-Executive Director

The composition of the Audit and Risk Management Committee, the Nominating Committee and the Remuneration Committee remain unchanged.

The Company is aware of the Guideline 2.3 of the Code of Corporate Governance 2018 that Non-Executive Directors shall make up a majority of the Board. The Company will endeavor to comply with the requirement.

5. UPDATE ON USE OF IPO PROCEEDS

The Board refers to the Offer Document dated 12 April 2018 in connection with the Company's initial public offering ("**IPO**") on Catalist and wishes to provide an update on the use of net proceeds raised from the IPO (the "**Net Proceeds**"). As at the date of this announcement, the Net Proceeds have been utilised as follows:

Use of Net Proceeds	Allocation of Net Proceeds (as disclosed in the Offer Document) (S\$'000)	Net Proceeds utilised as at the date of this announcement (S\$'000)	Balance of Net Proceeds as at the date of this announcement (S\$'000)
Business expansion (including organic expansion and mergers and acquisitions)	8,500	(6,298) ⁽¹⁾	2,202
Working capital	1,017	(1,017) ⁽²⁾	—
Total	9,517	(7,315)	2,202

Notes:

(1) S\$1.0 million cash consideration was paid on 28 November 2018 in connection with the acquisition of Asian Anaesthesia Care Pte. Ltd. and S\$5.0 million cash consideration was paid on 19 February 2020 in connection with the acquisition of CAH. In addition, S\$298,000 was paid on expenses related to the acquisitions.

(2) The Group has utilised the Net Proceeds allocated to working capital for Group's monthly staff costs.

Pursuant to the Investment Agreement with Vanda 1 Investments Pte. Ltd. on 15 October 2018, the Company received S\$5.0 million but has yet to utilise any of this amount. For more information, please refer to the Company's announcement made on 15 October 2018.

By Order of the Board of
Asian Healthcare Specialists Limited

Dr Chin Pak Lin
Executive Director and CEO
19 February 2020

*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.

The contact person for the Sponsor is: Name: Mr Mah How Soon, Registered Professional, RHT Capital Pte. Ltd. Address: 9 Raffles Place #29-01 Republic Plaza Tower 1, Singapore 048619 Tel: (65) 6381 6966

Appendix: Details on allottees of Consideration Shares

Vendor / Designated Nominee	No. of Consideration Shares
Bluecove Investments Pte. Ltd.	12,091,022 ⁽¹⁾⁽⁷⁾
Dr. Ng Tay Meng	15,195,870 ⁽²⁾
Dr. Seah Sheng Heang Geoffry	7,633,452 ⁽³⁾
Dr. Khoo Shih Wee @ Lawrence Khoo	17,644,237 ⁽⁴⁾
Dr. Ho Siew Hong	23,077,798 ⁽⁵⁾
Dr. Cheng Ching Li	27,360,838 ⁽⁶⁾
CJN Capital Pte. Ltd.	520,856 ⁽⁷⁾
Choo Leng Leng Susan	553,846 ⁽⁷⁾
Ong Yi Lin	93,461 ⁽⁷⁾
Total:	104,171,380

Notes:

- (1) The total number of ordinary shares issued and allotted to Bluecove Investments Pte. Ltd. ("**Bluecove**") is the sum of (a) Bluecove's Consideration Shares entitlement of 9,266,876 and (b) 2,824,146 Reserved Consideration Shares.
- (2) The total number of ordinary shares issued and allotted to Dr. Ng Tay Meng ("**NTM**") is the sum of (a) NTM's Consideration Shares entitlement of 167,195 and (b) Mak Yuet Kuen, Eleen's Consideration Shares entitlement of 15,766,859 less (c) 738,184 Reserved Consideration Shares.
- (3) The total number of ordinary shares issued and allotted to Dr. Seah Sheng Heang Geoffry ("**Geoffry Seah**") is the sum of (a) Geoffry Seah's Consideration Shares entitlement of 8,004,269 less (c) 370,817 Reserved Consideration Shares.
- (4) The total number of ordinary shares issued and allotted to Dr. Khoo Shih Wee @ Lawrence Khoo ("**Lawrence Khoo**") is the sum of (a) Lawrence Khoo's Consideration Shares entitlement of 194,132 and (b) Chin Lee Kuen's Consideration Shares entitlement of 18,307,228 less (c) 857,123 Reserved Consideration Shares.
- (5) The total number of ordinary shares issued and allotted to Dr. Ho Siew Hong ("**HSH**") is the sum of (a) HSH's Consideration Shares entitlement of 249,466 and (b) Chong Mei Ling's Consideration Shares entitlement of 23,525,382 less (c) 697,050 Reserved Consideration Shares.
- (6) The total number of ordinary shares issued and allotted to Dr. Cheng Ching Li ("**Bobby Cheng**") is the sum of (a) Bobby Cheng's Consideration Shares entitlement of 301,041 and (b) Lau Hui Ming Winnie's Consideration Shares entitlement of 28,388,932 less (c) 1,329,135 Reserved Consideration Shares.
- (7) As disclosed in the Company's announcement made on 4 December 2019 and pursuant to the terms and conditions of the SPA, a total of 3,992,309 Reserved Consideration Shares were issued and allotted to certain business associates and other employees of CAH and its subsidiaries ("**Cornerstone Group**") who have contributed to the success of the Cornerstone Group.