

ROWSLEY LTD.
(Incorporated in the Republic of Singapore)
Company Registration No. 199908381D

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- (A) **PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF SASTERIA PTE. LTD.; AND**
- (B) **PROPOSED BONUS ISSUE OF FREE WARRANTS TO EXISTING SHAREHOLDERS**
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1. INTRODUCTION

The board of directors (the “**Directors**”) of Rowsley Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the following:

- (i) the Company has entered into a non-legally binding term sheet with Mr Lim Eng Hock (the “**Vendor**”), a controlling shareholder of the Company, setting out the principal indicative terms in relation to the proposed acquisition by the Company and/or its wholly-owned subsidiary of 100,000 ordinary shares (the “**Sale Shares**”) representing 100% of the issued share capital of Sasteria Pte. Ltd. (the “**Target Company**”) (the “**Proposed Acquisition**”). The aggregate consideration for the Proposed Acquisition is up to **S\$1,900,000,000** (the “**Purchase Consideration**”). The Purchase Consideration will be payable by the Company to the Vendor or as he may direct by way of the allotment and issuance of up to 25,333,333,334 ordinary shares (“**Shares**”) in the capital of the Company at an issue price of **S\$0.075 per Consideration Share** (as hereafter defined), credited as fully paid up (such Shares, the “**Consideration Shares**”); and
- (ii) the Company is proposing, subject to *inter alia* the definitive agreements (“**Definitive Agreements**”) being entered into for the Proposed Acquisition and consummation of the Proposed Acquisition, an issue (the “**Proposed Bonus Issue**”) of:
 - (a) up to 9,481,002,148 bonus warrants (the “**Bonus Warrants**”) on the basis of two (2) Bonus Warrants for every one (1) existing Share held by shareholders of the Company (“**Shareholders**”) as at a books closure date to be determined by the Directors (the “**Books Closure Date**”), fractional entitlements to be disregarded. Each Bonus Warrant shall entitle the Bonus Warrant holder to subscribe for one (1) new Share (“**New Share**”) at an exercise price of S\$0.09 for each New Share (the “**Bonus Warrant Exercise Price**”), and which is exercisable during the period commencing from the date of its issue up to the market day immediately preceding the first anniversary of its date of issue; and
 - (b) up to 9,481,002,148 additional company warrants (the “**Piggyback Warrants**”) on the basis of one (1) Piggyback Warrant for every one (1) Bonus Warrant which is exercised, fractional entitlements to be disregarded. Each Piggyback Warrant shall entitle the Piggyback Warrant holder to subscribe for one New Share at an exercise price of S\$0.12 for each New Share (the “**Piggyback Warrant Exercise Price**”), and which is exercisable from its date of issue up to the market day immediately preceding the fourth anniversary of the date of issue of the Bonus Warrants (and, for the avoidance of doubt, not the fourth anniversary of the date of issue of the Piggyback Warrant).

The Bonus Warrants and the Piggyback Warrants are collectively referred to as the **“Warrants”**.

The Company will be appointing a financial adviser, and will also appoint an independent financial adviser(s), in relation to the Proposed Acquisition at the appropriate time.

2. INFORMATION ON THE TARGET COMPANY

The Target Company is a private company limited by shares incorporated in Singapore on 26 March 2010. As at the date of this announcement, the Target Company has an issued and paid-up share capital of S\$100,000 comprising 100,000 ordinary shares and the sole shareholder of the Target Company is the Vendor. The Target Company, its subsidiaries and associated companies are collectively referred to as the **“Target Group”**.

The principal businesses of the Target Company are investment holding and the provision of business and management consultancy services. Among its subsidiaries are Thomson Medical Pte Ltd (**“Thomson Medical”**) and TMC Life Sciences Berhad (**“TMCLS”**).

Thomson Medical

Incorporated in 1979, Thomson Medical is one of Singapore's leading providers of healthcare services for women and children. It owns and operates Thomson Medical Centre, a fully integrated hospital that provides a comprehensive range of facilities and services with a focus on obstetrics and gynaecology and paediatric services. Over the years, Thomson Medical has expanded its operations to include new areas of specialities and services to care for women beyond maternity and their families across generations.

TMCLS

Listed on Bursa Malaysia, TMCLS is a multidisciplinary healthcare company. It operates mainly through Tropicana Medical Centre (**“TMCKD”**).

TMCKD is the flagship hospital of TMCLS. Located in a prime alcove of Kota Damansara, it is a 200-bed multidisciplinary tertiary care centre equipped with advanced medical technology and modern infrastructure to deliver quality, affordable healthcare solutions and a superior service experience for local, regional and international patients.

With the continuous strong demand for quality healthcare, TMCLS has in place plans to expand TMCKD to become one of the largest integrated healthcare campus in the Klang Valley, Kuala Lumpur.

The expansion plan, subject to regulatory approval, involves the construction of a new block of building to house another 400 beds. The expansion plan will also include additional critical care beds, operating theatres, specialist outpatient clinics and commercial/retail space. The commercial/retail space will focus on offering healthcare products and services that patients will need.

When the new expansion plan is completed and fully operational, the hospital will have a capacity of up to 600 beds, offering comprehensive tertiary healthcare services, including one of the largest private in-vitro fertilization centres in South East Asia.

In addition, TMCLS has plans to expand in Johor Bahru through Thomson Iskandar. Located in Vantage Bay in Johor Bahru, Thomson Iskandar, as planned, entails an integrated development that comprises a 500-bed hospital, 400 medical suites and a retail mall (to facilitate and provide ancillary services to the operation of hospital and medical suites). The hospital, Hospital Iskandariah, will be equipped with state-of-the-art facilities and equipment. It will also develop 7 Centers of Excellence in phases, spanning cardiology, diabetes, fertility, gastro-intestinal, oncology, orthopedic-reconstructive surgery and urology.

In connection with the Proposed Acquisition, the Target Company (or its wholly-owned subsidiary) will, prior to completion of the Proposed Acquisition, acquire the 320,000,000 ordinary shares in TMCLS held by Incanto Investment Ltd and Best Blend Sdn Bhd (representing approximately 18.43% of the issued share capital of TMCLS as at the date hereof) which will be an addition to the 901,638,155 shares of TMCLS currently held by the Target Group (representing approximately 51.93% of the issued share capital of TMCLS as at the date hereof) resulting in an aggregate shareholding of 70.36% in TMCLS. Such acquisition of the 320,000,000 issued shares of TMCLS shall be a condition precedent to completion of the Proposed Acquisition.

Potential Target Expansion

The Target Company is currently also evaluating a possible acquisition of one or more medical practices to expand the Target Group's offerings (the "**Potential Target Expansion**").

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.1 Purchase Consideration

The Purchase Consideration of up to **S\$1,900,000,000** was arrived at on a willing-buyer willing-seller basis taking into account amongst others the profitability of Thomson Medical, TMCLS, their growth potential and synergies with the Group's existing businesses.

The Purchase Consideration will be finally determined and stated in the Definitive Agreements after the Purchaser has conducted initial due diligence on the Target Group and their assets (including where applicable the assets acquired under the Potential Target Expansion).

Based on the foregoing and subject to finalisation of the terms of the Proposed Acquisition, the Proposed Acquisition is likely to constitute a very substantial acquisition as defined in Chapter 10 of the SGX-ST Listing Manual (the "**Listing Manual**") which will require the approval of the SGX-ST and the Shareholders.

3.2 Conditions Precedent

The Proposed Acquisition will be subject to customary conditions precedent, including *inter alia* the following:

- (a) satisfactory due diligence by the Company on the legal, financial, technical, assets and inventories of the Target Group and any other matter as deemed fit by the Company;

- (b) the Proposed Acquisition and the issue of the Consideration Shares being approved by the SGX-ST and the receipt of approval in-principle of the SGX-ST for the listing of and quotation for all the Consideration Shares on the SGX-ST;
- (c) the Proposed Acquisition and the issue of the Consideration Shares being approved by the Shareholders at an extraordinary general meeting to be convened ("**EGM**");
- (d) the Target Company (or its wholly-owned subsidiary) having acquired the 320,000,000 ordinary shares in TMCLS held by Incanto Investment Ltd and Best Blend Sdn Bhd (representing approximately 18.43% of the issued share capital of TMCLS as at the date hereof) which will be an addition to the 901,638,155 shares of TMCLS currently held by the Target Group (representing approximately 51.93% of the issued share capital of TMCLS as at the date hereof);
- (e) the Securities Industry Council of Singapore ("**SIC**") having granted the Vendor, the nominees of the Vendor who will receive the Consideration Shares, where applicable, and their concert parties, and not having revoked or repealed such grant, a waiver of their obligation to make a mandatory offer under Rule 14 of the Singapore Code on Takeovers and Mergers for the Shares not held by them and their concert parties subject to (aa) any conditions that the SIC may impose which are reasonably acceptable to the parties; and (bb) Shareholders approving at the EGM the whitewash resolution for the waiver of the rights of the independent Shareholders to receive the mandatory offer (the "**Whitewash Resolution**");
- (f) the Whitewash Resolution being duly passed at the EGM;
- (g) the relevant authority having ruled that the transactions contemplated in the term sheet will not result in the Company or its concert parties having to make a general offer for TMCLS; and
- (h) all approvals, authorisation, licences and waivers necessary for *inter alia* the Proposed Acquisition having been obtained and not withdrawn.

4. PROPOSED PRINCIPAL TERMS OF THE PROPOSED BONUS ISSUE

The proposed principal terms of the Proposed Bonus Issue are set out below. Such terms are subject to changes as the Directors, after consultation with the Company's advisers, may deem appropriate.

(i) Exercise Period

Each Bonus Warrant will be credited and allotted free to all existing Shareholders as at the Books Closure Date and each Piggyback Warrant will be credited and allotted free to the holder of the underlying Bonus Warrant upon exercise of his underlying Bonus Warrant. The Warrants will be in registered form and be constituted in an instrument by way of one or more deed polls (the "**Deed Poll(s)**") that set out the terms and conditions of the Warrants and which may from time to time be amended or supplemented.

Each Bonus Warrant will, subject to the terms and conditions in the Deed Poll(s), carry the right to subscribe for one (1) New Share at the Bonus Warrant Exercise Price during the exercise period commencing on and including the date of issue of the Bonus Warrants and expiring at 5.00 p.m. on the market day immediately preceding the first anniversary of the date of issue of the Bonus Warrants. Any Bonus Warrant remaining unexercised at the end of the such exercise period shall lapse and cease to be valid for all purposes.

Each Piggyback Warrant (which will only be issued if the underlying Bonus Warrant is first exercised) will, subject to the terms and conditions in the Deed Poll(s), carry the right to subscribe for one (1) New Share at the Piggyback Warrant Exercise Price during the exercise period commencing on and including the date of issue of the Piggyback Warrant and expiring at 5.00 p.m. on the market day immediately preceding the fourth anniversary of the date of issue of the Bonus Warrants (and, for the avoidance of doubt, not the fourth anniversary of the date of issue of the Piggyback Warrant). Any Piggyback Warrant remaining unexercised at the end of such exercise period shall lapse and cease to be valid for all purposes.

(ii) Exercise Price

The Bonus Warrant Exercise Price of S\$0.09 represents a premium of approximately 23.3% to the last transacted price of S\$0.073 per Share on the SGX-ST on 14 July 2017 (being the last market day on which the Shares were traded prior to this announcement).

The Piggyback Warrant Exercise Price of S\$0.12 represents a premium of approximately 64.4% to the last transacted price of S\$0.073 per Share on the SGX-ST on 14 July 2017 (being the last market day on which the Shares were traded prior to this announcement).

The New Shares arising from the exercise of Warrants will rank pari passu in all respects with the then existing issued Shares for any dividends, rights, allotments or other distributions, the record date for which falls after the exercise date of the Warrants, save as may be otherwise provided in the Deed Poll(s). The exercise price and the number of Warrants will be subject to adjustments under certain circumstances to be provided for in the Deed Poll(s).

(iii) Eligibility

The Bonus Warrants will be issued to existing Shareholders for free on the basis of two (2) Bonus Warrants for every one (1) existing Share held as at the Books Closure Date. For the avoidance of doubt, the Vendor and/or his nominees who will receive the Consideration Shares will not be entitled to the Proposed Bonus Issue in respect of such Consideration Shares.

For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Bonus Warrants will not be offered to Shareholders with registered addresses outside Singapore and who have not, at least three (3) market days prior to the Books Closure Date, provided to the Company or the Central Depository (Pte) Limited (“**CDP**”), as the case may be, addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”). The Bonus Warrants which would otherwise be allotted to Foreign Shareholders will, if practicable, be sold on the SGX-ST and the net proceeds from all such sales, after deduction of all

expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such amount will be retained for the sole benefit of the Company or otherwise dealt with as the Directors in their absolute discretion deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

Where such Bonus Warrants are sold on the SGX-ST, they will be sold at such price or prices as the Company, may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company in respect of such sales.

(iv) Listing Status

The Bonus Warrants will, subject to the approval of the SGX-ST, be listed and traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system.

It is also the intention of the Company that the Piggyback Warrants be listed and traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system and such listing shall be sought if and when the requirements for such listing are met.

The listing of and quotation for the Warrants and the New Shares on the SGX-ST, if approved, is expected to be subject to *inter alia* there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants.

(v) Conditions and Approvals

The Proposed Bonus Issue is subject to *inter alia* the following:

- (a) the Company and the Vendor entering into the Definitive Agreements in relation to the Proposed Acquisition, satisfaction of all conditions precedent therein and completion of the Proposed Acquisition;
- (b) the receipt of approval in-principle of the SGX-ST for the listing of and quotation for all the Bonus Warrants and the New Shares on the SGX-ST; and
- (c) the Proposed Bonus Issue being approved by the Shareholders at the EGM.

For the avoidance of doubt, the Proposed Acquisition is not conditional upon the Proposed Bonus Issue being proceeded with.

5. RATIONALE FOR THE PROPOSED ACQUISITION AND THE PROPOSED BONUS ISSUE

The Directors of the Company believe that the Proposed Acquisition is in the best interests of the Company. The Proposed Acquisition provides the Company the opportunity to acquire two established healthcare assets in Singapore and Malaysia, participate in an expanding healthcare business, diversify the Company's current portfolio and strengthen the Company's existing business. The Proposed Acquisition will significantly increase the market capitalisation of the

Company and is expected to raise the profile of the Company and generate investors' interest in the Company. The Company may also consider changing its name to incorporate the word "Thomson" after completion of the Proposed Acquisition.

If the Definitive Agreements are entered into and the Proposed Acquisition materialises, the Directors are proposing the Proposed Bonus Issue to reward existing Shareholders and to raise funds for the Group in the future. The Directors believe that the Proposed Bonus Issue will provide Shareholders with the opportunity to increase their equity participation in the Company, and potentially increase the Company's capital base and strengthen its balance sheet. Based on the Company's issued and paid-up share capital of 4,740,501,074 Shares as at the date of this announcement, the Proposed Bonus Issue will comprise 18,962,004,296 Warrants. Assuming all the Warrants issued pursuant to the Proposed Bonus Issue are exercised, the Company will receive gross proceeds of approximately S\$1,991,010,451. The Company intends to use the proceeds arising from the exercise of the Warrants for future working capital and expansion plans.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

The Target Company is 100% beneficially owned by Mr Lim Eng Hock. Mr Lim Eng Hock (the "**Controlling Shareholder**") is also the Company's controlling Shareholder and as at the date of this announcement, the Controlling Shareholder indirectly owns approximately 45.34% of the Company's total issued Shares through Garville Pte Ltd, Garville (Hong Kong) Limited, Jovina Investments Limited and Bellton International Limited.

As the Target Company is 100% beneficially owned by the Controlling Shareholder, the Proposed Acquisition will constitute an interested person transaction under Chapter 9 of the Listing Manual. In addition, the Controlling Shareholder's interest in the Company will also increase arising from the issue of the Consideration Shares to him (and his concert parties, where applicable) which would oblige the Controlling Shareholder to make a mandatory offer for the remaining Shares in the Company. As set out in paragraph 3.2 of this announcement, it is a condition precedent to the completion of the Proposed Acquisition that the Whitewash Waiver be sought from the SIC and that the Whitewash Resolution be passed by independent Shareholders at the EGM.

Ms Chan Lay Hoon is a director of the Target Company and its subsidiary Sasteria (M) Pte Ltd as well as an employee of companies controlled by the Controlling Shareholder and Mr Tan Wee Tuck is the nephew of the Controlling Shareholder. They will accordingly recuse themselves from all deliberations of the Board and abstain from voting on all Board resolutions relating to the Proposed Acquisition.

Dr Lam Lee G is an independent director of Thomson Medical Pte Ltd, a subsidiary of the Target Company and Mr Gary Ho Kuat Foong is an independent director of TMC Life Sciences Berhad, a subsidiary of the Target Company. They will accordingly, for good corporate governance, recuse themselves from all deliberations of the Board and the audit committee of the Company (as the case may be) and abstain from voting on all Board resolutions and audit committee resolutions (as the case may be) relating to the Proposed Acquisition.

Save as disclosed in this announcement and through their holding of securities of the Company, none of the Directors or the controlling Shareholders has any interest, direct or indirect, in the Proposed Acquisition or the Proposed Bonus Issue.

7. FURTHER ANNOUNCEMENTS

The Company will make an announcement disclosing further details of the Proposed Acquisition as required under Chapter 9 and Chapter 10 of the Listing Manual upon execution of the Definitive Agreements. The Company will make appropriate update announcement(s) on the Proposed Acquisition at the relevant time.

8. RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

9. CAUTION TO SHAREHOLDERS

The Proposed Acquisition is subject to *inter alia* (i) the execution of the Definitive Agreements; (ii) completion of satisfactory due diligence by the Company on the Target Group; and (iii) relevant approvals being obtained from regulatory authorities including the SGX-ST and the SIC.

Shareholders and investors are advised to refrain from taking any action, which may be prejudicial to their interests, and to exercise caution when dealing in the Shares of the Company. There is no certainty or assurance as at the date of this announcement that the Definitive Agreements will be entered into or that the Proposed Acquisition and the Proposed Bonus Issue will be proceeded with or, if proceeded with, on the indicative terms set out above.

Shareholders and investors are advised to read this announcement and any further update announcement(s) released by the Company in relation to the Proposed Acquisition and the Proposed Bonus Issue carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

**BY ORDER OF THE BOARD OF
ROWSLEY LTD.**

**Hasan Malik
Company Secretary**

18 July 2017