ASIAMEDIC LIMITED

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

PROPOSED ADOPTION OF THE ASIAMEDIC EMPLOYEE SHARE OPTION SCHEME – WAIVER FROM COMPLIANCE WITH RULE 843 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST"), SECTION B: RULES OF CATALIST (THE "CATALIST RULES")

1. PROPOSED ADOPTION OF THE ASIAMEDIC EMPLOYEE SHARE OPTION SCHEME 2016

The board of directors (the "**Board**") of AsiaMedic Limited (the "**Company**") is proposing to adopt a new employee share option scheme, known as the AsiaMedic Employee Share Option Scheme 2016 (the "**AsiaMedic ESOS 2016**"), at an extraordinary general meeting ("**EGM**") to be convened.

The Company has previously implemented a share award scheme known as the AsiaMedic Share Award Scheme (the "**AsiaMedic Share Award Scheme**") since 2011. As the Company intends to put in place a multi-faceted compensation plan, it is proposing to implement the AsiaMedic ESOS 2016 so that both the AsiaMedic Share Award Scheme and the AsiaMedic ESOS 2016 can be used to reward, retain and motivate deserving participants. This would provide the Company with greater flexibility in structuring its compensation plans for such participants.

Pursuant to Rule 843 of the Catalist Rules, participation in a scheme must be restricted to (a) directors and employees of the issuer and its subsidiaries; (b) directors and employees of an associated company of the issuer if the issuer has control over the associated company; and (c) directors and employees of the issuer's parent company and its subsidiaries who have contributed to the success and development of the issuer.

In 2011, the Company had sought and obtained a waiver from the SGX-ST in respect of Rule 843 of the Catalist Rules when it adopted the AsiaMedic Share Award Scheme in 2011 in allowing consultant radiologists (the "**Consultant Radiologists**") who provide diagnostic and radiologic consultancy services (the "**Consultancy Services**") to the Company and its subsidiaries (collectively, the "**Group**") to be included as participants of the AsiaMedic Share Award Scheme.

Currently, the Company intends to allow all directors and employees of the Group and associated companies over which the Company has control, as well as Consultant Radiologists, to be eligible for participation in the proposed AsiaMedic ESOS 2016.

2. RATIONALE FOR THE PARTICIPATION OF THE CONSULTANT RADIOLOGISTS IN THE PROPOSED ASIAMEDIC ESOS 2016

The Consultant Radiologists are independent contractors who provide full time Consultancy Services to the Group. They are not employees of the Group and their professional services are usually engaged via service agreements entered into between the Group and the radiology companies which employ such Consultant Radiologists. Monthly consultancy fees are paid to these radiology companies and the Consultant Radiologists are also entitled to profit-sharing from the bonus pool for such radiologist companies serving the Group. The Group values these Consultant Radiologists as an integral part of its talent pool and subjects them to the same code of professional conduct and policies observed by all employees of the Group.

One of the Group's main businesses is diagnostic imaging. Its various types of imaging equipment provide images of almost any human organ, system or body part in a non-invasive way so that diagnoses can be carried out. A radiologist is a medical specialist specially trained in diagnostic radiology allowed to interpret such medical images. In Singapore, a radiologist is required to hold the Certificate of Specialist Registration from the Singapore Medical Council and the Certificate of Specialist Accreditation from the Specialists Accreditation Board of the Ministry of Health in order to practice as a radiologist. Without such qualified radiologists, the Group will not be able to operate this business. The Consultant Radiologists are qualified radiologists who have specialised training in

obtaining and interpreting medical images, which make them imaging experts. Accordingly, the Consultant Radiologists form an important category of manpower and make significant contributions to the Group as they provide Consultancy Services which are integral to the Group's Advanced Diagnostic Imaging Centre.

The Board is of the view that including the Consultant Radiologists in the proposed AsiaMedic ESOS 2016 will allow the Company to have a fair and equitable system to reward Consultant Radiologists who have made and who continue to make significant contributions to the long-term growth of the Group. The proposed AsiaMedic ESOS 2016 will also enable the Group to provide incentives to the Consultant Radiologists to optimise their standards of performance.

For the purpose of assessing the contributions of the Consultant Radiologists, the committee administering the proposed AsiaMedic ESOS 2016 will propose a performance framework comprising a combination of financial and non-financial performance measurement criteria such as the financial performance of Group, responsibilities shouldered by as well as the extent of involvement, and overall contribution given by the Consultant Radiologists.

3. RECEIPT OF WAIVER FROM COMPLIANCE WITH CATALIST RULE 843

On 10 December 2015, the Company made an application for a waiver from compliance with the requirements of Rule 843 of the Catalist Rules by permitting participation in the proposed AsiaMedic ESOS 2016 to be extended to the Consultant Radiologists (the "**Waiver**").

The Board is pleased to announce that the SGX-ST has on 21 December 2015 granted the Waiver, subject to the Company:

(a) making an immediate announcement of the Waiver granted, disclosing the reasons for seeking the Waiver;

(b) disclosing in the shareholders' circular (the "**Circular**"), the Board's view on the extension of the proposed AsiaMedic ESOS 2016 to include the Consultant Radiologists;

(c) obtaining shareholders' approval for the proposed AsiaMedic ESOS 2016 at the EGM to be convened; and

(d) obtaining specific shareholders' approval for the participation of Consultant Radiologists in the proposed AsiaMedic ESOS 2016 at the EGM to be convened.

4. CIRCULAR TO SHAREHOLDERS

The Circular in relation to, *inter alia*, the proposed AsiaMedic ESOS 2016, together with a notice convening the EGM will be despatched to the shareholders of the Company in due course.

BY ORDER OF THE BOARD
Ms Foo Soon Soo
Company Secretary

22 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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