



ASIAN HEALTHCARE SPECIALISTS LIMITED

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

TERM SHEET FOR THE PROPOSED ACQUISITION OF THE REMAINING 49.0% INTEREST IN THE COMPANY'S SUBSIDIARY, CORNERSTONE ASIA HEALTH PTE. LTD.

1. INTRODUCTION

The board of directors ("**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 9 April 2021 ("**Term Sheet**") with the other shareholders¹ ("**Vendors**") of the Company's 51.0% owned subsidiary, Cornerstone Asia Health Pte. Ltd. ("**CAH**"), to acquire the remaining 49.0% of the issued and paid-up shares in CAH ("**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 ("**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 CAH

The principal activities of CAH and its subsidiaries ("**CAH 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 CAH 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 six specialists and medical doctors in the CAH 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 S\$16.0 million, which takes into account the CAH Group's adjusted pro forma consolidated profit after tax ("**PAT**") for the period 1 January 2020 to 31 December 2020.

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\$0.185 per share ("**Issue Price**"), and (ii) cash of S\$2,500,000 ("**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 the Consideration Shares to be issued will be subject to a five-year moratorium (to be released within such period in tranches).

¹ Dr. Ng Tay Meng, Dr. Seah Sheng Heang Geoffry, Dr. Khoo Shih Wee @ Lawrence Khoo, Dr. Ho Siew Hong and Dr. Cheng Ching Li.

2.3. Conditions Precedent

The Proposed Acquisition is subject to various conditions precedent, including 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 ("**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. INTERESTED PERSON TRANSACTION

As at the date of this announcement, Dr. Cheng Ching Li is a Director of the Company and a substantial shareholder of the Company with an approximate 6% interest in the Company's total issued and paid-up share capital. Therefore, he is regarded as an "interested person" within the meaning of Chapter 9 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Accordingly, the Proposed Acquisition, insofar as Dr. Cheng Ching Li is concerned, is an interested person transaction and the Company will comply with the requirements under Chapter 9 of the Catalist Rules, including, if required, seeking the approval of Shareholders at an extraordinary general meeting for the Proposed Acquisition as an interested person transaction.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as set out in Paragraph 3 and other than through their respective directorships and shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

5. FURTHER ANNOUNCEMENTS

The Company will, in compliance with applicable rules (including the Corporate Disclosure Policy under the Catalist Rules make further announcements), make the relevant announcements at the appropriate time when there are material developments in respect of the Proposed Acquisition.

By Order of the Board of
Asian Healthcare Specialists Limited

Dr Chin Pak Lin
Executive Director and CEO
9 April 2021

*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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