

ASIAMEDIC LIMITED

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

TERM SHEET IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF LUYEELLIUM HEALTHCARE CO., LTD

1. INTRODUCTION

The Board of Directors (the “**Board**” and the directors, the “**Directors**”, and each a “**Director**”) of AsiaMedic Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company has, on 20 January 2017, entered into a binding term sheet (the “**Term Sheet**”) with Luye Medicals Group Pte Ltd (“**LMG**”), Dr Park Hee Seok (“**Dr Park**”), Mr Hong Yong Su (“**Mr Hong**”) and Dr Choi Jin Seok (“**Dr Choi**”, and together with LMG, Dr Park and Mr Hong, the “**Vendors**”) in relation to the proposed acquisition by the Company of the entire issued and paid up share capital of LuyeEllium Healthcare Co., Ltd (the “**Target**”), a company that provides hospital management services to hospitals in South Korea and China, from the Vendors (the “**Proposed Acquisition**”).

The Term Sheet sets out the key agreed terms in connection with the Proposed Acquisition which will be incorporated into a definitive sale and purchase agreement (“**Sale and Purchase Agreement**”), together with such other terms and conditions as may be agreed between the parties.

Upon completion of the Proposed Acquisition (“**Completion**”), the Target will be a wholly-owned subsidiary of the Company.

The Proposed Acquisition, if undertaken and completed, is expected to constitute:

- (a) a “very substantial acquisition” pursuant to Rule 1015 of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”); and
- (b) an interested person transaction as defined under Chapter 9 of the Catalist Rules,

and is subject to various conditions precedent, including, *inter alia*, satisfactory due diligence by the Company on the Target, and the approvals of the SGX-ST and the shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting (“**EGM**”) to be convened.

Unless otherwise indicated, Korean Won (“**KRW**”) amounts in this Announcement have been translated into Singapore dollars, based on the closing exchange rate of S\$1.00 : KRW834 as at 31 December 2016 quoted by Bloomberg L.P.

2. INFORMATION ON THE TARGET AND THE VENDORS

2.1 Information on the Target

The Target is a medical service company incorporated in South Korea which is principally engaged in the provision of non-clinical support and consultancy services to medical institutions in South Korea and China. As at the date of this announcement, the services provided by the Target include but are not limited to hospital management systems and operations plans, hospital design and fitting-out, sale and leasing of medical equipment, integrated marketing, manpower and operations support, and information technology services. The Target also owns and operates a post-partum centre in Busan, South Korea.

2.2 Net Profit of the Target

For the six months ended 30 June 2016, the Target had an unaudited net profit after tax of approximately KRW1.55 billion (equivalent to S\$1.80 million¹).

2.3 Valuation of the Target

As at 30 June 2016, the net asset value (“NAV”) and net tangible assets (“NTA”) of the Target was approximately KRW3.85 billion (equivalent to S\$4.51 million²).

The Company will be appointing an independent valuer to prepare a valuation report on the Target, which will be set out in the circular in relation to the Proposed Acquisition to be despatched to Shareholders in due course (the “Circular”).

2.4 Information on the Vendors

LMG is a controlling shareholder of the Company and holds 95,431,396 ordinary shares in the capital of the Company (“Shares”), representing 24.44% of the total number of Shares.

Mr Hong is the founder and chief executive officer of the Target.

Dr Park and Dr Choi are doctors in a Korean hospital which the Target provides support and consultancy services to.

The interests of the Vendors in the Target are as follows:

Vendors	Number of shares held in the Target	Shareholding in the Target (%)
LMG	317,800	70
Dr Park	54,480	12
Mr Hong	54,480	12
Dr Choi	27,240	6
Total	454,000	100

¹ Based on the average exchange rate of S\$1.00 to KRW857 for the six months ended 30 June 2016.

² Based on the closing exchange rate of S\$1.00 to KRW854 as at 30 June 2016.

All information in this Announcement relating to the Target and the Vendors has been provided by the Vendors, and is subject to due diligence verification by the Company and its professional advisers.

3. PRINCIPAL TERMS OF THE TERM SHEET

3.1 Consideration and Issue Price of the Consideration Shares

The aggregate consideration payable by the Company to the Vendors for the Proposed Acquisition (“**Consideration**”) is S\$42,168,000, which was determined on a willing-buyer willing-seller basis after arm’s length negotiations between the Company and the Vendors, taking into account:

- (a) the purchase consideration of Renminbi (“**RMB**”) 131.60 million (equivalent to S\$28.70 million based on the closing exchange rate of S\$1.00 to RMB4.5858 as at 31 December 2015) in the agreement entered into between LMG and Dr Park, Mr Hong and Dr Choi for the acquisition of a 70% equity interest in the Target by LMG in December 2015; and
- (b) the profit guarantees provided by the Vendors for the financial years ended or ending 31 December (“**FY**”) 2016, 2017, 2018, 2019 and 2020, details of which are set out herein.

The Consideration will be satisfied in full by the allotment and issuance of an aggregate of 527,100,000 new Shares (“**Consideration Shares**”) at the issue price of S\$0.080 per Consideration Share (“**Issue Price**”) to the Vendors in accordance with their respective shareholding proportion in the Target as follows:

- (c) 368,970,000 Consideration Shares, representing 70.0% of the total number of Consideration Shares, to LMG;
- (d) 63,252,000 Consideration Shares, representing 12.0% of the total number of Consideration Shares, to Dr Park;
- (e) 63,252,000 Consideration Shares, representing 12.0% of the total number of Consideration Shares, to Mr Hong; and
- (f) 31,626,000 Consideration Shares, representing 6.0% of the total number of Consideration Shares, to Dr Choi.

The Consideration Shares will be credited as fully paid-up and ranking *pari passu* in all respects with the Company’s existing Shares.

The Issue Price represents a 6.0% premium to the volume-weighted average price of S\$0.0755 of the Shares on 20 January 2017, being the market day on which the Term Sheet was signed.

3.2 Profit Guarantee

It is intended that the Vendors will provide the following profit guarantees (“**Profit Guarantee**”) to the Company based on their respective shareholding proportion in the Target as at the date of the Sale and Purchase Agreement:

Period	Profit after tax based on International Financial Reporting Standards
FY2016	KRW2,822,750,000 (equivalent to approximately S\$3.38 million)
FY2017	KRW3,104,500,000 (equivalent to approximately S\$3.72 million)
FY2018	KRW3,414,250,000 (equivalent to approximately S\$4.09 million)
FY2019	KRW3,500,000,000 (equivalent to approximately S\$4.20 million)
FY2020	KRW3,500,000,000 (equivalent to approximately S\$4.20 million)

The Target will prepare a detailed profit forecast to substantiate the Profit Guarantee, and the auditors will review and provide their opinion on the profit forecast, which will be included in the Circular.

It is intended that the Profit Guarantee will be assessed in the following tranches:

- (a) FY2016 and FY2017, upon completion of the audit of the Target for FY2017;
- (b) FY2018 and FY2019, upon completion of the audit of the Target for FY2019; and
- (c) FY2020, upon completion of the audit of the Target for FY2020,

where any excess of profits in FY2016 and FY2018 can be used to offset any shortfall in FY2017 and FY2019, respectively, and *vice versa*.

Subject to the finalisation of the terms of the Profit Guarantee in the Sale and Purchase Agreement, the Board’s view on the Profit Guarantee, as well as other relevant information required under the Catalist Rules in relation to the Profit Guarantee, will be included in the Circular.

3.3 Moratorium

The parties have agreed that upon Completion, the share certificates of the Consideration Shares will be held in escrow by an escrow agent to be appointed by the Company (“**Escrow Agent**”). The Consideration Shares will be released to the Vendors in tranches as follows (less such number of Consideration Shares that may have been cancelled or repurchased by the Company or sold by the Escrow Agent, if any):

Consideration Shares released from moratorium⁽¹⁾			
Vendors	FY2016 and FY2017 Tranche⁽²⁾	FY2018 and FY2019 Tranche⁽³⁾	FY2020 Tranche⁽⁴⁾
LMG	133,829,662	156,114,850	79,025,488
Dr Park	22,942,228	26,762,546	13,547,226
Mr Hong	22,942,228	26,762,546	13,547,226

Consideration Shares released from moratorium⁽¹⁾

Vendors	FY2016 and FY2017 Tranche ⁽²⁾	FY2018 and FY2019 Tranche ⁽³⁾	FY2020 Tranche ⁽⁴⁾
Dr Choi	11,471,114	13,381,272	6,773,614
Total	191,185,232	223,021,214	112,893,554

Notes:

- (1) The Consideration Shares for each tranche will be released to the Vendors within 14 days from the completion of the audit of the Group for the relevant financial year and the Board being satisfied that the Profit Guarantees for the relevant financial years have been met.
- (2) In the event that the Profit Guarantee for FY2016 and FY2017 is not met, the 191,185,232 Consideration Shares (less such number of Consideration Shares that may have been sold by the Escrow Agent, if any, to make up the compensation or shortfall arising from the Profit Guarantee for FY2016 and FY2017 in the event that the Company did not receive the full amount of the compensation or shortfall within 14 days from the date of notification of the profit shortfall by the Company) will only be released to the Vendors after the Company receives the compensation or shortfall arising from the Profit Guarantee for FY2016 and FY2017 from such Vendor, whichever applicable.
- (3) In the event that the Profit Guarantee for FY2018 and FY2019 is not met, the 223,021,214 Consideration Shares (less such number of Consideration Shares that may have been sold by the Escrow Agent, if any, to make up the compensation or shortfall arising from the Profit Guarantee for FY2018 and FY2019 in the event that the Company did not receive the full amount of the compensation or shortfall within 14 days from the date of notification of the profit shortfall by the Company) will only be released to the Vendors after the Company receives the compensation or shortfall arising from the Profit Guarantee for FY2018 and FY2019 from such Vendor, whichever applicable.
- (4) In the event that the Profit Guarantee for FY2020 is not met, the 112,893,554 Consideration Shares (less such number of Consideration Shares that may have been sold by the Escrow Agent, if any, to make up the shortfall arising from the Profit Guarantee for FY2020 in the event that the Company did not receive the full amount of the shortfall within 14 days from the date of notification of the profit shortfall by the Company) will only be released to the Vendors after the Company receives the shortfall arising from the Profit Guarantee for FY2020 from such Vendor, whichever applicable.

3.4 Conditions Precedent

The obligation of the parties under the Term Sheet to complete the Proposed Acquisition are conditional upon, *inter alia*, the following salient conditions being satisfied, fulfilled or waived, as the case may be, before Completion:

- (i) satisfactory due diligence by the Company on the Target;
- (ii) with regards to the potential conflicts of interests between the Vendors and the Target, the Vendors having entered into a non-compete agreement (including call option and/or first right of refusal provisions over the Vendors' business and assets) in such form and substance agreed by the parties and (where necessary) approved by the SGX-ST;
- (iii) no material or adverse changes to the Target's financial position or operations until Completion;

- (iv) no exercise by the Vendors of the put and call options under the shareholders' agreement dated 27 December 2015 entered into amongst the Vendors and the Target until (and including) the date of Completion;
- (v) no distribution of capital or profits having been declared, made or paid by the Target from 1 January 2016 until (and including) the date of Completion;
- (vi) satisfactory opinions from the auditors of both the Target and the Company on the profit forecast provided by the Target;
- (vii) submission to and approval by the Securities Industry Council of the whitewash waiver application;
- (viii) Board and Shareholders' approvals being obtained for the transactions contemplated in the Term Sheet, including the Whitewash Resolution (as defined herein);
- (ix) an opinion from an independent financial adviser to the independent Directors of the Company expressing that the proposed terms of, *inter alia*, the Proposed Acquisition and the Whitewash Resolution are fair and reasonable, on normal commercial terms and not prejudicial to the interests of minority Shareholders;
- (x) clearance from the SGX-ST for the Circular and the issue of the Consideration Shares, and compliance with all conditions which may be imposed by the SGX-ST in connection thereto;
- (xi) all approvals having been obtained, where required, including any third party consents and approvals from relevant regulatory and governmental bodies, including any anti-trust or competition filings; and
- (xii) representations and warranties made by the Vendors being, and remaining true and accurate and not misleading.

It is intended that if any of the conditions precedent are not fulfilled or waived by 31 October 2017, or such other date as may be mutually agreed between the Company and the Vendors, the Proposed Acquisition shall be terminated, and save for the surviving provisions of the Sale and Purchase Agreement, none of the parties shall have any claim against any other party for costs, damages, compensation or otherwise.

3.5 **Other terms**

The Vendors shall provide in the Sale and Purchase Agreement such undertakings, representations, warranties and indemnities as the Company may reasonably request, including but not limited to non-competition and non-solicitation undertakings.

3.6 **Share Consolidation**

The parties have agreed that the Company will undertake a share consolidation on such ratio and at such time and date to be determined by the Board to meet the minimum issue price requirements under the Catalist Rules ("**Share Consolidation**"). The number of Consideration Shares to be issued, and the issue price of S\$0.080 relating thereto, is set out herein on a pre-consolidation basis.

4. RATIONALE FOR THE POTENTIAL ACQUISITION

The Company is constantly looking for expansion opportunities to boost growth and enhance its shareholders' value.

The Proposed Acquisition represents a good opportunity for the Group to broaden the range of healthcare services it offers. In addition to the existing advanced diagnostics imaging and wellness services, the Proposed Acquisition will enable the Group to provide non-clinical support and consultancy services to medical institutions as well as be involved in the operation of the post-partum centre. The Proposed Acquisition will also widen the geographical reach of the Group from Singapore to South Korea and China.

The risk profile of the Group may also be altered with the enlarged healthcare services offerings and wider geographical coverage arising from the Proposed Acquisition. Nonetheless, the Group expects to be able to leverage on the Target's expertise and experience to provide premium healthcare services to its customers. The business operations of the Target will provide the Group with regular revenue streams and is expected to contribute positively to the earnings of the Group.

The satisfaction of the Consideration by way of the allotment and issuance of the Consideration Shares will also reduce the cash outlay to be incurred by the Company in relation to the Proposed Acquisition.

5. INTERESTED PERSON TRANSACTION

5.1 Relative Figures under Chapter 9 of the Listing Manual

As at the date of this announcement, LMG, which holds 24.44% of the Shares and is accordingly a controlling shareholder of the Company, directly holds 70.0% of the issued and paid-up share capital of the Target. Accordingly, LMG is an interested person, and the Proposed Acquisition, if undertaken, would constitute an interested person transaction pursuant to Chapter 9 of the Catalist Rules.

Under Rule 906(1)(a) of the Catalist Rules, where the value of an interested person transaction is equal to or exceeds 5% of the Group's latest audited NTA, the approval of the Shareholders must be obtained.

Under Rule 918 of the Catalist Rules, Shareholders' approval is required to be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to completion of the transaction, as the case may be.

As the Consideration represents approximately 420.8% of the Group's latest audited consolidated NTA as at 31 December 2015 of S\$10.02 million, Shareholders' approval is required for the Proposed Acquisition under Rule 906(1)(a) of the Catalist Rules.

5.2 Existing Interested Person Transactions

Save for the Proposed Acquisition, there are no interested person transactions (excluding transactions below S\$100,000) entered into by the Group with LMG and/or its associates for the financial period from 1 January 2017 up to the date of this announcement.

The total value of all reportable interested person transactions entered into by the Company with its interested persons (including the Vendors and their respective associates), including the Proposed Acquisition, for the financial period from 1 January 2017 up to the date of this Announcement is S\$42,168,000, which represents approximately 420.8% of the Group's latest audited consolidated NTA as at 31 December 2015 of S\$10.02 million.

6. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

Based on the unaudited consolidated financial statements of the Group for the six months ended 30 June 2016 ("HY2016"), the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases	Relative Figures
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
(b)	Net profits attributable to the assets to be acquired, compared with the Group's net profits ⁽¹⁾	(1,383.75)%
(c)	Aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares ⁽²⁾	146.92%
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue ⁽³⁾	134.98%
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves	Not applicable as the Company is not a mineral, oil and gas company

Notes:

- (1) Net profits is defined as profit before income tax, minority interests and extraordinary items. Based on the aggregated net profits of the Target and the net losses of the Group for HY2016 being KRW1.98 billion (equivalent to approximately S\$2.31 million) and S\$167,219 respectively.
- (2) Based on the Consideration and the market capitalisation of the Company of S\$28,700,877, which is determined by multiplying the total number of 390,488,125 issued Shares (excluding treasury shares) with the volume-weighted average price of S\$0.0735 transacted on the Catalist of the SGX-ST on 19 January 2017 (being the last market day for which the Shares were traded prior to the date of the Term Sheet).
- (3) Based on 527,100,000 Consideration Shares and the total number of 390,488,125 issued Shares (excluding treasury shares) as at the date of this Announcement.

As the relative figures computed based on Rules 1006(c) and (d) of the Catalist Rules exceed 100% and the Proposed Acquisition will not result in a change in control of the Company (since LMG will remain the controlling shareholder of the Company), the Proposed Acquisition, if undertaken and completed, will constitute a “very substantial acquisition” under Chapter 10 of the Catalist Rules.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The following financial effects were prepared based on the audited consolidated financial statements of the Group for FY2015 and the unaudited financial statements of the Target for FY2015. The financial effects of the Proposed Acquisition prepared based on the financial statements for FY2016 will be included in the Circular.

The financial effects of the Proposed Acquisition are for illustrative purposes only and do not necessarily reflect the actual results and financial position of the enlarged group following the completion of the Proposed Acquisition. The results of the Group for FY2015 may not be representative of future performance.

The financial effects have been prepared based on, *inter alia*, the following assumptions:

- (i) the issued share capital, NTA and number of Shares (excluding treasury shares) as at 31 December 2015 have been adjusted for the private placement of 51,500,000 Shares at the placement price of S\$0.055 for each Share which was completed on 21 January 2016;
- (ii) the financial effects on the NTA of the Group are computed on the assumption that the Proposed Acquisition had been completed on 31 December 2015;
- (iii) the financial effects on the earnings and earnings per Share (“EPS”) of the Group are computed on the assumption that the Proposed Acquisition had been completed on 1 January 2015;
- (iv) expenses and goodwill/intangible assets on consolidation in connection with the Proposed Acquisition have been disregarded for the purpose of calculating the financial effects; and
- (v) the Share Consolidation is not undertaken.

7.1 Share Capital

As at 31 December 2015	Without the Proposed Acquisition	With the Proposed Acquisition
Issued Share Capital (S\$)	24,761,027	66,929,027
Number of Shares (excluding treasury shares)	390,488,125	917,588,125

7.2 NTA

As at 31 December 2015	Without the Proposed Acquisition	With the Proposed Acquisition
NTA (S\$)	12,830,312	12,958,144
Number of Shares (excluding treasury shares)	390,488,125	917,588,125
NTA per Share (S\$ cents)	3.29	1.41

7.3 EPS

FY2015	Without the Proposed Acquisition	With the Proposed Acquisition
Loss after tax (S\$)	(1,779,182)	(1,672,877)
Number of Shares (excluding treasury shares)	390,488,125	917,588,125
Loss per Share (S\$ cents)	(0.46)	(0.18)

7.4 Gearing

As at 31 December 2015	Without the Proposed Acquisition	With the Proposed Acquisition
Total borrowings (S\$)	4,871,794	4,871,794
Total equity (S\$)	14,985,390	57,153,390
Gearing (times)	0.33	0.09

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Mr Guo Wenfei, a Non-Executive Director of the Company, is the chief executive officer of a group of companies under Luye Investment Group in China (“**Luye China**”). Mr Koh Boon How, the Alternate Non-Executive Director to Mr Guo Wenfei, is the deputy chief financial officer of Luye Pharma Group Ltd (“**Luye Pharma**”). Mr Tan Soo Kiat, the Non-Executive Chairman of the Company, is a director of Intergate Pte Ltd, which provides corporate advisory services to, among others, LMG. Luye China, Luye Pharma and LMG have the same controlling shareholder, namely, Mr Liu Dianbo.

Save as disclosed herein, none of the Directors or controlling shareholders of the Company and their associates has any interests, direct or indirect, in the Proposed Acquisition, other than through their respective shareholding interests in the Company.

9. WAIVER OF OBLIGATION TO MAKE A MANDATORY GENERAL OFFER

If the Proposed Acquisition is undertaken and completed, LMG’s interest in the Company will increase from 24.44% to 50.61% of the voting shares comprised in the enlarged share capital of the Company upon Completion. LMG and its concert parties will therefore be required to make a mandatory general offer for all the remaining issued shares in the Company not already owned, controlled or agreed to be acquired by them pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers (“**Code**”). As such, LMG and its concert parties

will be seeking a waiver of their obligation to make a mandatory general offer under Rule 14 of the Code from the Securities Industry Council.

An ordinary resolution will be tabled at the EGM to be convened which if passed, will result in a waiver by the independent Shareholders of their right to receive a mandatory general offer from LMG and its concert parties in connection with the allotment and issuance of the Consideration Shares (the “**Whitewash Resolution**”).

10. FINANCIAL ADVISER AND INDEPENDENT FINANCIAL ADVISER

Xandar Capital Pte. Ltd. has been appointed as the financial adviser to the Company in respect of the Proposed Acquisition.

The Company will also appoint an independent financial adviser in due course to (i) advise the independent Directors on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders and (ii) advise independent Shareholders on whether the Whitewash Resolution is fair and reasonable and not prejudicial to the interests of the independent Shareholders. The opinion of the independent financial adviser will be set out in the Circular.

11. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of the Company comprises Mr Goh Kian Chee (the Lead Independent Director), Dr Hong Hai (an Independent Director) and Mr Tan Soo Kiat (the Non-Executive Chairman). The Chairman of the Audit Committee is Mr Goh Kian Chee. Save for Mr Tan Soo Kiat, all members of the Audit Committee do not have any interests in the Proposed Acquisition and are accordingly deemed to be independent for the purposes of the Proposed Acquisition.

The Audit Committee will form its view as to whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders after considering the independent financial adviser's opinion to be obtained in due course. The Audit Committee's view on the Proposed Acquisition will be set out in the Circular.

12. DIRECTORS' SERVICE CONTRACTS

Subject to the approval of Shareholders, Mr Hong is proposed to be appointed as a Director of the Company on Completion. A service contract will be entered into between the Company and Mr Hong. The details of the service contract will be set out in the Circular.

13. FURTHER ANNOUNCEMENTS AND CIRCULAR

The Company will release such further announcements, in compliance with the requirements of the Catalist Rules, upon the execution of the Sale and Purchase Agreement and/or when there are material updates or developments in respect of the Proposed Acquisition.

Subject to the completion of due diligence and the relevant approvals from authorities, the Circular setting out, *inter alia*, the terms of the Proposed Acquisition, the independent valuation report, the opinion and the recommendation of the independent financial adviser, together with the notice of EGM, will be despatched to Shareholders in due course.

14. DOCUMENTS AVAILABLE FOR INSPECTION

The Term Sheet will be available for inspection during normal business hours at the Company's registered address at 350 Orchard Road, #08-00 Shaw House, Singapore 238868 for a period of three (3) months from the date hereof.

15. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing in the Shares as there is no certainty or assurance that the Sale and Purchase Agreement will be entered into, that the final terms and conditions of the Sale and Purchase Agreement with respect to the Proposed Acquisition will not differ from that set out in the Term Sheet, or that the Proposed Acquisition will be undertaken at all.

Shareholders and potential investors are advised to read this Announcement and any further announcements by the Company carefully. Shareholders and potential investors 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

Ms Foo Soon Soo
Company Secretary

20 January 2017

This announcement has been prepared by the Company and 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 made, opinions expressed or reports contained in this announcement.

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