

ISEC HEALTHCARE LTD.

(Company Registration No. 201400185H)
(Incorporated in Singapore on 2 January 2014)

PRE-CONDITIONAL MANDATORY CASH OFFER BY AIER EYE INTERNATIONAL (SINGAPORE) PTE. LTD. TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF ISEC HEALTHCARE LTD., OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY AIER EYE INTERNATIONAL (SINGAPORE) PTE. LTD. AND PARTIES ACTING IN CONCERT WITH IT

1. INTRODUCTION

The Board of Directors (the “**Board**”) of ISEC Healthcare Ltd. (the “**Company**”) wishes to refer the shareholders of the Company (the “**Shareholders**”) to:

- (a) the announcement dated 2 July 2019 made by the Company that the Board had received a notification from Dr Wong Jun Shyan (“**Dr Wong**”) for himself and on behalf of certain shareholders of the Company who are also employees of the Company and/or its subsidiaries, including Dr Lee Hung Ming (“**Dr Lee**”) (collectively, the “**Notifying Shareholders**”), that the Notifying Shareholders are at an advanced stage of negotiations with a third party purchaser independent of the Notifying Shareholders for the sale of part of their shares of the Company (the “**Potential Transaction**”) and that based on the proposed terms, the Potential Transaction, if completed, is likely to lead to an offer for the shares of the Company in due course, and the update announcement dated 2 August 2019 made by the Company in relation to the foregoing; and
- (b) the announcement dated 26 August 2019 (the “**Pre-Conditional Offer Announcement**”) made by CEL Impetus Corporate Finance Pte. Ltd. (“**CICF**”), for and on behalf of Aier Eye International (Singapore) Pte. Ltd. (the “**Offeror**”), relating to a pre-conditional mandatory cash offer for all the issued and paid-up ordinary shares (the “**Shares**”) in the capital of the Company other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (the “**Offer Shares**”).

The Offeror is a direct wholly-owned subsidiary of Aier Eye Hospital Group Co., Ltd. (“**Aier**”), a company incorporated in the People’s Republic of China and listed on the Shenzhen Stock Exchange.

As announced in the Pre-Conditional Offer Announcement, the Offeror had on 26 August 2019 entered into a conditional sale and purchase agreement (the “**SPA**”) with Dr Lee, Dr Wong, Dr Choong Yee Fong, Dr Michael Law Sie Haur, Dr Fang Seng Kheong, Dr Lim Kian Seng and Dr Yeo Kim Chuan (collectively, the “**Sellers**” and together with the Offeror, the “**Parties**”) to acquire an aggregate of 186,321,991 Shares (the “**Sale Shares**”) representing 35% of the total issued Shares¹, held by the Sellers (the “**Acquisition**”) at the price of S\$0.36 per Sale Share, for a total consideration of S\$67,075,916.76 to be satisfied in cash. Completion of the SPA is subject to the fulfilment of the conditions precedent set out in Section 2.2 of the Pre-Conditional Offer Announcement (the “**Conditions Precedent**”), which shall be fulfilled by 13 November 2019 or such other date as the Parties may agree in writing (the “**Long Stop Date**”).

¹ References in this announcement to the total number of issued Shares are based on 532,348,544 Shares in issue (excluding 386,400 treasury shares) as at 26 August 2019.

In the event completion of the Acquisition upon fulfilment of the Conditions Precedent (“**Completion**”) occurs, the Offeror will own or control in aggregate 186,321,991 Shares, representing 35% of the total issued Shares. Accordingly, subject to the Completion, CICF will, for and on behalf of the Offeror, announce the firm intention on the part of the Offeror to make a mandatory conditional cash offer for the Offer Shares (the “**Offer**”) in accordance with Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”).

Further details on the principal terms of the Acquisition, the Conditions Precedent and the terms of the Offer are set out in the Pre-Conditional Offer Announcement. Shareholders are advised to refer to and review the full text of the Pre-Conditional Offer Announcement in its entirety and carefully for, *inter alia*, (a) the principal terms of the Acquisition, (b) the Conditions Precedent and (c) the terms of the Offer (if and when made).

A copy of the Pre-Conditional Offer Announcement is attached to this announcement and is also available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com. Shareholders are advised to review, in conjunction with this announcement, the Pre-Conditional Offer Announcement in its entirety and carefully and in particular, for details of the Offer, information on the Offeror and Aier, the rationale for the Offer and the Offeror’s intentions in relation to the Company.

Shareholders should note that, as stated in the Pre-Conditional Offer Announcement, the Offer will not be made unless and until the Conditions Precedent are fulfilled and/or waived (as the case may be) and Completion occurs. Accordingly, all references to the Offer in the Pre-Conditional Offer Announcement refer to the mandatory conditional cash offer which will only be made if and when the Conditions Precedent are fulfilled and/or waived (as the case may be) and Completion occurs in accordance with the terms of the SPA.

In the event that the Conditions Precedent are not fulfilled (or waived in accordance with the SPA, to the extent legally permissible) on or before the Long Stop Date and/or Completion does not occur, the Offer will not be made and CICF will, for and on behalf of the Offeror, issue an announcement confirming that fact as soon as reasonably practicable.

2. INDEPENDENT FINANCIAL ADVISER

Subject to the Offer being made, the Board will, in due course, appoint an independent financial adviser (the “**IFA**”) to advise the directors of the Company (the “**Directors**”) who are regarded as independent for the purposes of the Offer under the Code (the “**Independent Directors**”).

3. OFFEREE CIRCULAR

If and when the Offer is made, a circular (the “**Offeree Circular**”) containing the advice of the IFA and the recommendation of the Independent Directors on the Offer will be sent to Shareholders within 14 days from the date of the despatch of the offer document to be issued by CICF, for and on behalf of the Offeror, in connection with the Offer (if and when made).

In the meantime, Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendation of the Independent Directors, as well as the advice of the IFA, which will be set out in the Offeree Circular to be issued (if and when the Offer is made) in due course.

The Company will release further announcements at the appropriate junctures.

4. RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed 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 any information has been extracted or reproduced from published or publicly available sources (including without limitation, the Pre-Conditional Offer Announcement), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.

By Order of the Board

Sitoh Yih Pin
Non-Executive Chairman and Independent Director
26 August 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

This announcement has not been examined or approved by the SGX-ST. 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 Ms. Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).

PRE-CONDITIONAL MANDATORY CASH OFFER

by



CEL Impetus Corporate Finance Pte Ltd

CEL IMPETUS CORPORATE FINANCE PTE. LTD.

(Company Registration No. 201631484Z)
(Incorporated in the Republic of Singapore)

for and on behalf of

AIER EYE INTERNATIONAL (SINGAPORE) PTE. LTD.

(Company Registration No.: 201840134C)
(Incorporated in the Republic of Singapore)

a direct wholly-owned subsidiary of

AIER EYE HOSPITAL GROUP CO., LTD.

(Company Registration Number: 430000000001637)
(Incorporated in the People's Republic of China)

to acquire all the issued and paid-up ordinary shares in the capital of

ISEC HEALTHCARE LTD.

(Company Registration No.: 201400185H)
(Incorporated in the Republic of Singapore)

other than those already owned, controlled or agreed to be acquired by Aier Eye International (Singapore) Pte. Ltd. and parties acting in concert with it

1. INTRODUCTION

1.1 Holding Announcement

On 2 July 2019, ISEC Healthcare Ltd. ("**Company**") announced that it had received a notification from Dr. Wong Jun Shyan on behalf of himself and certain shareholders of the Company who are also employees of the Company and/or its subsidiaries (collectively "**Group**"), including Dr. Lee Hung Ming ("**Notifying Shareholders**") that the Notifying Shareholders are at an advanced stage of negotiations with a third party purchaser independent of the Notifying Shareholders for the sale of part of their shares in the Company and that based on the proposed terms, the potential transaction if completed is likely to lead to an offer for the shares of the Company in due course ("**Holding Announcement**").

1.2 The Acquisition

CEL Impetus Corporate Finance Pte. Ltd. ("**CICF**") wishes to announce, for and on behalf of Aier International (Singapore) Pte. Ltd. ("**Offeror**"), that the Offeror had on 26 August 2019 entered into a conditional sale and purchase agreement ("**SPA**") with Dr. Lee Hung Ming, Dr. Wong Jun Shyan, Dr. Choong Yee Fong, Dr. Michael Law Sie Haur, Dr. Fang Seng Kheong,

Dr. Lim Kian Seng and Dr. Yeo Kim Chuan ("**Sellers**", and together with the Offeror, the "**Parties**") to acquire an aggregate of 186,321,991 shares ("**Sale Shares**") representing 35% of the total and issued and paid up ordinary shares in the capital of the Company, held by the Sellers ("**Acquisition**") at the price of S\$0.36 per Sale Share, for a total consideration of S\$67,075,916.76 to be satisfied in cash ("**Consideration**").

Completion of the SPA is subject to the fulfilment of the conditions precedent set out in Section 2.2 below ("**Conditions Precedent**").

1.3 Pre-conditional Mandatory General Cash Offer

Subject to the completion of the Acquisition upon fulfilment of the Conditions Precedent (as defined in Section 2.2 below) ("**Completion**"), the Offeror will make a mandatory conditional cash offer ("**Offer**") for all the issued and paid-up ordinary shares ("**Shares**") in the capital of the Company other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror ("**Offer Shares**").

The Offeror is a direct wholly-owned subsidiary of Aier Eye Hospital Group Co., Ltd. ("**Aier**"), a company incorporated in the People's Republic of China ("**PRC**") and listed on the Shenzhen Stock Exchange. Further information on the Offeror and Aier is set out in Section 7 below.

As at the date of this Announcement ("**Announcement Date**"), the Offeror, Aier and their respective directors ("**Offeror Concert Group**") do not own or control, directly or indirectly, any Shares. In the event Completion occurs, the Offeror will own or control in aggregate 186,321,991 Shares, representing 35% of the total issued Shares¹.

THE OFFER WILL NOT BE MADE UNLESS AND UNTIL THE CONDITIONS PRECEDENT ARE FULFILLED AND/OR WAIVED (AS THE CASE MAY BE) AND COMPLETION OCCURS. ACCORDINGLY, ALL REFERENCES TO THE OFFER IN THIS ANNOUNCEMENT REFER TO THE MANDATORY CONDITIONAL CASH OFFER WHICH WILL ONLY BE MADE IF AND WHEN THE CONDITIONS PRECEDENT ARE FULFILLED AND/OR WAIVED (AS THE CASE MAY BE) AND COMPLETION OCCURS IN ACCORDANCE WITH THE TERMS OF THE SPA.

SHAREHOLDERS OF THE COMPANY SHOULD EXERCISE CAUTION AND SEEK APPROPRIATE INDEPENDENT ADVICE WHEN DEALING IN THE SHARES.

2. SALIENT TERMS OF THE SPA

2.1 Sale Shares and Consideration

The Sale Shares shall be sold by the Sellers to the Offeror free from all encumbrances and together with all rights attached thereto as at the date of Completion and thereafter, including all rights to any dividend or other distribution.

The Consideration for the Sale Shares shall be S\$67,075,916.76 based on the price of S\$0.36 per Sale Share.

¹ Unless otherwise stated, references in this Announcement to the total number of issued Shares are based on 532,348,544 Shares in issue (based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore on the Announcement Date and excluded 386,400 treasury shares).

2.2 Conditions Precedent

It is a pre-condition to the making of the Offer that the SPA is completed upon the following Conditions Precedent having been fulfilled (or waived in accordance with the SPA, to the extent legally permissible):

- (a) the Offeror having obtained and complied with all requisite approvals, conditions, clearances, filings and/or rulings in relation to the transactions contemplated under the SPA from (i) the Securities Industry Council of Singapore ("**SIC**"), (ii) the National Development and Reform Commission of the PRC, (iii) the Ministry of Commerce of the PRC and (iv) the State Administration of Foreign Exchange of the PRC;
- (b) the Company having obtained written consents and/or waivers (in terms satisfactory to the Offeror) from all relevant parties to the effect that they consent to the sale and purchase of the Sale Shares and agree not to exercise any right (whether of termination or otherwise) arising by reason of such sale and purchase, including but not limited to insurance companies, hire purchase companies, banks and landlords; and
- (c) none of the Sellers having resigned from the Group at any time between the date of the SPA and the Completion Date (as defined below).

2.3 Completion of the SPA

Subject to the fulfillment (or waiver in accordance with the SPA, to the extent legally permissible) of all the Conditions Precedent:

- (a) completion of the SPA shall take place on the fifth business day following the fulfilment of the last Condition Precedent (or at such other time or date as the Parties may agree in writing) ("**Completion Date**"); and
- (b) upon Completion, the Offeror will own an aggregate of 186,321,991 Shares, representing 35% of the total number of issued Shares.

2.4 Long Stop Date

Pursuant to the terms of the SPA, the long stop date for the fulfilment of the Conditions Precedent is 50 business days (excluding the public holidays of Singapore and the PRC) from the date of the SPA (being 13 November 2019) or such other date as the Parties may agree in writing ("**Long Stop Date**"). If the Conditions Precedent are not fulfilled and/or waived (as the case may be) on or before the Long Stop Date, the Offeror shall not be bound to proceed with the purchase of the Sale Shares and the SPA shall cease to be of any effect (save for clauses which are expressed to survive termination of the SPA) and save in respect of claims arising out of any antecedent breach of the SPA.

2.5 Undertakings from the Sellers

Pursuant to the terms of the SPA, each of the Sellers has provided certain undertakings ("**Undertakings**") that following Completion:

- (a) During the Offer, if (i) the level of acceptances obtained from the remaining shareholders of the Company (being the shareholders of the Company apart from the Sellers) is at least 13% of the issued share capital of the Company, and (ii) the acceptances from such remaining shareholders of the Company immediately prior to

the close of the Offer when aggregated with the Sale Shares sold to the Offeror pursuant to the SPA, is less than 50% of the issued share capital of the Company, Dr. Lee Hung Ming ("**Dr. Lee**") and Dr. Wong Jun Shyan ("**Dr. Wong**") jointly and severally undertake to tender to the Offeror an additional 1% plus 1 share (being 5,323,486 Shares) and 1% (being 5,323,485 Shares), respectively, in the issued share capital of the Company ("**Additional Shares**") by accepting the Offer prior to the close of the Offer; and

- (b) Each of the Sellers shall not, apart from the Sale Shares sold pursuant to the SPA and the Additional Shares (where applicable), accept the Offer in respect of any remaining Shares held by him.

2.6 Post Offer Board Arrangement

The Parties have agreed that in connection with the acquisition of the Sale Shares, the Offeror shall have the right to appoint two (2) directors to the board of directors of the Company as soon as practicable after Completion ("**Post Offer Board Arrangement**").

2.7 Formal Offer Announcement

If and when the Conditions Precedent are fulfilled (or waived in accordance with the SPA, to the extent legally permissible) and upon Completion having occurred, CICF, for and on behalf of the Offeror, will announce the firm intention on the part of the Offeror ("**Formal Offer Announcement**") to make the Offer.

The formal offer document containing the terms and conditions of the Offer ("**Offer Document**") and enclosing the appropriate form(s) of acceptance of the Offer, will thereafter be despatched to shareholders.

However, in the event that any of the Conditions Precedent are not fulfilled (or waived in accordance with the SPA, to the extent legally permissible) on or before the Long Stop Date and/or Completion does not occur, the Offer will NOT be made and CICF will, for and on behalf of the Offeror, issue an announcement confirming that fact as soon as reasonably practicable.

3. SUPPLEMENTAL EMPLOYMENT AND SERVICE AGREEMENTS

- 3.1 Each of the Sellers has existing employment agreements with a subsidiary of the Company in relation to their respective employments ("**Employment Agreements**"). In addition, each of Dr. Lee and Dr. Wong has existing service agreements with the Company in relation to their appointments as Executive Vice Chairman and Chief Executive Officer of the Company respectively ("**Service Agreements**").

- 3.2 The Offeror is of the view that the continued services of the Sellers are essential to the Company's continual expansion and growth. Therefore, the Company intends to enter into:

- (a) a supplemental employment agreement with each of the Sellers ("**Supplemental Employment Agreement**") to:
 - (i) extend the term of their respective Employment Agreements for a term of five (5) years commencing from the Completion Date ("**EA New Term**"), with each of the Company and the relevant doctor having the option to extend the respective Employment Agreements for a further five (5) years,

- subject to the agreement of both the Company and the relevant doctor;
- (ii) in respect of Dr. Lee and Dr. Wong, to streamline the non-competition obligations in the Employment Agreements and to extend such non-competition obligations for an additional 12 month period from the date of termination of the Employment Agreement (as amended and supplemented by the Supplemental Employment Agreement) ("**Extended Employment Agreement**"), provided that such obligation shall only be applicable if termination of the Extended Employment Agreement is effected by (i) the relevant doctor within six (6) years from the date of commencement of the EA New Term, or (ii) the Company due to any of the reasons set out in existing clause 8.2(a) of the Employment Agreement or due to the relevant doctor's contravention of his non-solicitation and non-competition obligations in the Extended Employment Agreement;
 - (iii) in respect of Dr. Lee and Dr. Wong, to amend the confidentiality provisions in the Employment Agreements to impose wider confidentiality obligations on Dr. Lee and Dr. Wong;
 - (iv) in respect of the remaining Sellers save for Dr. Lee and Dr. Wong ("**Remaining Doctors**"), to add a provision imposing non-competition obligations on the Remaining Doctors that are similar to the obligations in Dr. Lee and Dr. Wong's respective Supplemental Service Agreements, as such provisions had not been included in the Remaining Doctors' Employment Agreements; and
 - (v) streamline and standardise the termination provisions to mirror that of the existing termination provisions in the current Service Agreements;
- (b) a supplemental service agreement with each of Dr. Lee and Dr. Wong ("**Supplemental Service Agreement**") to:
- (i) extend the term of their respective Service Agreement for a term of five (5) years commencing from the Completion Date ("**SA New Term**"), with each of the Company and the relevant doctor having the option to extend the respective Service Agreements for a further five (5) years, subject to the agreement of both the Company and the relevant doctor. The existing six (6) months' notice period requirement for the extension of the respective Service Agreements will be waived;
 - (ii) provide for an annual discretionary bonus in respect of each financial year, which is to be decided by and subject to the approval of the Remuneration Committee and the Board of Directors of the Company;
 - (iii) provide that Dr. Lee and the Company shall work together towards forming a medical team management plan for the Group for five (5) years, which shall include recruiting, training and retaining two (2) mature ophthalmologic surgeons; and
 - (iv) streamline the non-competition obligations in the Service Agreements and to extend such non-competition obligations for an additional 12 month

period from the date of termination of the Service Agreement (as amended and supplemented by the Supplemental Service Agreement) ("**Extended Service Agreement**"), provided that such obligation shall only be applicable if termination of the Extended Service Agreement is effected by (i) the relevant doctor within six (6) years from the date of commencement of the SA New Term, or (ii) the Company due to any of the reasons set out in the existing clause 12.2 of the Service Agreement or due to the relevant doctor's contravention of his non-solicitation and non-competition obligations in the Extended Service Agreement.

- 3.3 The execution of the Supplemental Employment Agreements and Supplemental Service Agreements will be subject to the approval of the Remuneration Committee and the Board of Directors of the Company and in accordance with the listing rules of the SGX-ST, and is intended to be effective on the Completion Date.

4. RULINGS BY THE SIC

In accordance with the Singapore Code on Take-overs and Mergers ("**Code**"), the Conditions Precedent shall not be invoked to cause the SPA to lapse unless (i) the Offeror has demonstrated reasonable efforts to fulfil the Conditions Precedent within the time frame specified (i.e. the long stop date of 50 business days under the SPA) and (ii) the circumstances that give rise to the right to invoke the Conditions Precedent are material in the context of the proposed transactions.

Based on representations by the Offeror, the SIC has on 23 August 2019:

- (a) confirmed that it has no objections to the Offer being subject to the Conditions Precedent;
- (b) ruled that the Undertakings, the Post Offer Board Arrangement, and the Supplemental Employment Agreements and Supplemental Service Agreements do not constitute Special Deals for the purposes of Rule 10 of the Code;
- (c) ruled that the unconditional confirmation required pursuant to Rule 23.8 of the Code shall be in respect of sufficient financial resources on the part of the Offeror to satisfy 43.22% acceptance of the Offer, and the confirmation regarding the amount of financial resources available to the Offeror to satisfy full acceptance of the Offer shall be S\$82,838,008.80; and
- (d) noted that, under the Note on Rule 22.1 of the Code, it should be the offeree company that makes the application for the offer document to be posted on a date earlier than 14 days after the date of offer announcement. The reasons for this are set out in the Consultation Conclusions on Revision of the Code dated 25 February 2016.

5. TERMS OF THE OFFER

Subject to and contingent upon the fulfillment (or waiver in accordance with the SPA, to the extent legally permissible) of all the Conditions Precedent and the terms and conditions to be set out in the Offer Document, CICF will, for and on behalf of the Offeror, make the Offer for all the Offer Shares in accordance with Rule 14 of the Code on the following basis:

(a) **Offer Price.** The consideration for each Offer Share will be as follows:

For each Offer Share: S\$0.36, payable in cash ("Offer Price")

(b) **No Encumbrances.** The Offer Shares will be acquired:

- (i) fully paid;
- (ii) free from all mortgages, assignments, debentures, liens, hypothecation, charges, pledges, claims, equity, title retentions, rights to acquire, security interests, options, pre-emptive or similar rights, rights of first refusal and any other encumbrance or condition whatsoever; and
- (iii) together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto, (including the right to receive and retain all dividends, rights and other distributions or return of capital ("**Distributions**"), if any, which may be announced, declared, paid or made thereon by the Company on or after the Announcement Date).

If any Distributions is announced, declared, paid or made by the Company on or after the Announcement Date, the Offeror reserves the right to reduce the Offer Price correspondingly by the amount of such Distributions.

(c) **Minimum Acceptance Condition.** The Offer, if and when made, will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror Concert Group, will result in the Offeror Concert Group holding such number of Shares carrying more than 50% of the voting rights attributable to the issued Shares (excluding any treasury shares) as at the close of the Offer ("**Minimum Acceptance Condition**").

The Offer will not become or be capable of being declared unconditional in accordance with its terms unless the Minimum Acceptance Condition is satisfied.

6. FINANCIAL EVALUATION OF THE PRE-CONDITIONAL OFFER

The Offer Price represents the following premium over the historical transacted prices of the Shares on the SGX-ST:

Description	Benchmark Price (S\$) ⁽¹⁾⁽²⁾	Premium over Benchmark Price % ⁽³⁾
Last transacted price per Share as quoted on the SGX-ST on 28 June 2019, the last full market day prior to the trading halt of the Shares, being the last trading day preceding the date of the Holding Announcement ("Holding Announcement Date")	0.340	5.88
Last transacted price per Share as quoted on the SGX-ST on 23 August 2019, being the last trading day preceding the Announcement Date ("Last Trading Day")	0.325	10.77
Volume-weighted average price ("VWAP") of the Shares for the one-month period up to the last trading day preceding the Holding Announcement Date	0.322	11.89
VWAP of the Shares for the one-month period up to and including the Last Trading Day	0.341	5.63
VWAP of the Shares for the three-month period up to the last trading day preceding the Holding Announcement Date	0.316	13.77
VWAP of the Shares for the three-month period up to and including the Last Trading Day	0.340	5.93
VWAP of the Shares for the six-month period up to the last trading day preceding the Holding Announcement Date	0.306	17.48
VWAP of the Shares for the six-month period up to and including the Last Trading Day	0.325	10.83
VWAP of the Shares for the 12-month period up to the last trading day preceding the Holding Announcement Date	0.301	19.77
VWAP of the Shares for the 12-month period up to and including the Last Trading Day	0.316	13.78

Notes:

- (1) The figures set out in the table above are based on data extracted from Bloomberg L.P. and are calculated by using total value of Shares over the total volume of Shares traded for the relevant period.
- (2) The figures are rounded to the nearest three decimal places.
- (3) The figures are rounded to the nearest two decimal places.

7. INFORMATION ON THE OFFEROR AND AIER

7.1 The Offeror

The Offeror is a private limited company incorporated and domiciled in Singapore. The Offeror is a direct wholly-owned subsidiary of Aier, a company which is incorporated in the PRC and listed on the Shenzhen Stock Exchange. The Offeror is an investment holding company and is a special purpose vehicle incorporated for the purpose of the Acquisition and making the Offer.

As at the Announcement Date, the Offeror has an issued share capital of S\$1 comprising one (1) issued ordinary share, and its directors are Chen Bang, Wong Ying Cheeng and Zhang Yong Mei.

7.2 Aier

Aier is a company incorporated in the PRC and listed on the Shenzhen Stock Exchange. Aier operates a global chain of eye care medical service institutions, whose main business is the provision of ophthalmic medical services (including refractive surgery, cataract surgery, anterior segment surgery, posterior segment surgery and other operations) as well as optometry services. Aier's business portfolio is divided into the following three (3) main areas:

- (a) Medical services: rendering of medical services of ophthalmology, primary eye care, clinical laboratory and optometry.
- (b) Research and development: research in technology related to ophthalmological medicine and research and development, production and sales of software related to telemedicine.
- (c) Investment: investment, management and the operation of hospitals and ophthalmological clinics.

As at the Announcement Date, Aier has an issued share capital of Renminbi 3,097,811,227 comprising 3,097,811,227 shares, and its directors are Chen Bang, Li Li, Han Zhong, Zheng Yuanmin, Wang Jianping, Zhang Zhihong and Wu Shijun. The market capitalisation of Aier is approximately Renminbi 104 billion.

8. INFORMATION ON THE COMPANY

Based on publicly available information, the Company is a limited liability company incorporated in Singapore on 2 January 2014 and was listed on the Catalist Board of the SGX-ST since 28 October 2014². The principal activity of the Company is that of an investment holding company. The Group is an established regional provider of a comprehensive suite of medical eye care services with ambulatory surgical centres³.

As at the Announcement Date, based on publicly available information, the Company has an issued and paid-up share capital of S\$64,741,000 comprising 532,348,544 issued Shares⁴, excluding 386,400 treasury shares⁴. Based on publicly available information, the Company does not have any outstanding instruments convertible into, rights to subscribe for, and

² Based on the 2018 Annual Report of the Company as announced by the Company on SGXNET on 8 April 2019

³ Based on the 2018 Annual Report of the Company as announced by the Company on SGXNET on 8 April 2019

⁴ Unaudited Financial Statement and Dividend Announcement For the First Half Ended 30 June 2019 as announced by the Company on SGXNET on 7 August 2019

options in respect of, securities which carry voting rights.

As at the Announcement Date based on publicly available information, the directors of the Company are Sitoh Yih Pin, Dr. Lee Hung Ming, Dr. Wong Jun Shyan, Low Teck Seng and Lim Wee Hann.

9. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

9.1 Compliance with the Code

As a result of the Acquisition as described in Section 1.2 above, the Offeror is required to make the Offer in compliance with the requirements of the Code.

9.2 Opportunity for Shareholders who may find it difficult to exit their investment in the Company due to low trading liquidity

The historical trading liquidity of the Shares on the SGX-ST has been low. The average daily trading volume of the Shares over the last one-month, three-month, six-month and twelve-month periods up to and including the Last Trading Day (as defined herein) are detailed in the table below:

	Average Daily Trading Volume ("ADTV")⁽¹⁾	ADTV as a percentage of total Shares⁽²⁾⁽³⁾
One-month period up to and including the Last Trading Day	187,238 Shares	0.04%
Three-month period up to and including the Last Trading Day	374,258 Shares	0.07%
Six-month period up to and including the Last Trading Day	317,493 Shares	0.06%
12-month period up to and including the Last Trading Day	217,971 Shares	0.04%

Notes:

- (1) The figures set out in the table above are based on data extracted from Bloomberg L.P. The average daily trading volume is computed based on the total trading volume of the Shares divided by the number of market days with respect to the relevant period immediately prior to and including the Last Trading Day.
- (2) Calculated using the average daily trading volume of Shares traded divided by the total number of issued Shares (excluding 386,400 treasury shares).
- (3) Rounded to the nearest two decimal places.

9.3 Offer Price at a premium to traded prices at different time periods over the last 12 months prior to the market day immediately preceding the date of the Holding Announcement

When compared to the benchmark prices of the Shares prior to the market day immediately preceding the date of the Holding Announcement, the Offer Price represents a premium of

approximately 11.89%, 13.77%, 17.48% and 19.77% over the VWAP per Share for the one-month, three-month, six-month and 12-month periods, respectively.

The Offer presents Shareholders with a cash exit opportunity to realise up to their entire investment in the Shares at a premium over historical trading prices of the Shares without incurring brokerage and other trading costs.

9.4 Offeror's Intentions for the Company

The rationale for the Acquisition by Aier via the Offeror, its wholly owned subsidiary, is to expand its eye care medical business into the South East Asia market through the Group, as part of its globalisation strategy by leveraging on the medical expertise and experience of the Group's medical team. Through the Acquisition, Aier will be able to enhance its leading position in the global eye care medical market by creating complementary business operations with the Group through sharing of best practices and eye care medical know-how.

The Offeror intends for the Company to continue with its existing activities and has no current intention of (a) making material changes to the Group's existing business, (b) re-deploying the Group's fixed assets, or (c) discontinuing the employment of the employees of the Group, other than in the ordinary course of business. The Offeror however retains the flexibility at any time to consider options or opportunities which may present themselves.

10. LISTING STATUS AND COMPULSORY ACQUISITION

10.1 Listing Status

Pursuant to Rule 723 of the Catalist Rules, the Company must ensure that at least 10% of the total number of Shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public ("**Free Float Requirement**").

Pursuant to Rule 1104 of the Catalist Rules, in the event that the Offeror Concert Group should, as a result of the Offer or otherwise, own or control more than 90% of the total number of Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10% of the total number of Shares (excluding treasury shares) are held by at least 200 Shareholders who are members of the public.

In addition, under Rule 724(1) of the Catalist Rules, if the Free Float Requirement is not complied with, the Company must, as soon as possible, notify its sponsor of that fact and announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, for the percentage of the Shares held by members of the public to be raised to at least 10%, failing which the Company may be delisted from the SGX-ST.

It is the intention of the Offeror to maintain the listing status of the Company on the SGX-ST following completion of the Offer. In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or Rule 1104 of the Catalist Rules, the Offeror intends to undertake and/or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted.

10.2 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period when the Offer is open for acceptance) in respect of not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Offer ("**Dissenting Shareholders**") at a price equal to the Offer Price.

In addition, Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act (Chapter 50 of Singapore), to require the Offeror to acquire their Shares at a price equal to the Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with the treasury shares and the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares. Dissenting Shareholders who wish to exercise such rights are advised to seek their own independent legal advice. Unlike Section 215(1) of the Companies Act, the 90% threshold under Section 215(3) of the Companies Act does not exclude treasury shares or Shares held by the Offeror, its related corporations or their respective nominees as at the date of the Offer.

As the Sellers will not accept the Offer in respect of their Shares (except in limited circumstances set out in Section 2.5 above), it is envisaged that the Offeror would not become entitled to exercise the right of compulsory acquisition under Section 215(1) of the Companies Act (Chapter 50 of Singapore) pursuant to acceptances of the Offer.

11. DISCLOSURE OF HOLDINGS AND DEALINGS IN COMPANY SECURITIES

11.1 Shareholdings and Dealings

As at the Announcement Date, save for the Sale Shares to be acquired by the Offeror pursuant to the Acquisition (subject to the Conditions Precedent), none of the Offeror Concert Group or CICF (as financial adviser to the Offeror in connection with the Offer) (each a "**Relevant Person**"):

- (a) owns, controls or has agreed to acquire any (i) Shares, (ii) securities which carry voting rights in the Company or (iii) convertible securities, warrants, options or derivatives in respect of the Shares or the securities which carry voting rights in the Company (collectively "**Company Securities**"); or
- (b) has dealt for value in any Company Securities during the six (6) month period immediately preceding the Announcement Date.

11.2 Security Interests, Borrowing or Lending of Company Securities

The Sale Shares to be acquired by the Offeror pursuant to the Acquisition will be charged, and the Shares to be acquired by the Offeror pursuant to the Offer or otherwise during the Offer Period will be charged, to DBS Bank Ltd., being the security agent, as part of the security arrangements for the financing for the Offer.

11.3 Other Arrangements

As at the Announcement Date and based on the latest information available to the Offeror, save as described in Section 11.2 above, none of the Relevant Persons has:

- (a) entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature, relating to the Company Securities which may be an inducement to deal or refrain from dealing in the Company Securities;
- (b) granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise;
- (c) borrowed from another person any Company Securities (excluding borrowed Company Securities which have been on-lent or sold); or
- (d) lent any Company Securities to another person.

11.4 No Irrevocable Undertakings

As at the Announcement Date save for the Undertakings described in Section 2.5 above, none of the Relevant Persons has received any irrevocable undertaking from any party to accept or reject the Offer.

11.5 Further Enquiries

In the interests of confidentiality, the Relevant Persons have not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with the Offeror in connection with the Offer. Further enquiries will be made of such persons and the relevant disclosures (if any) will be made in due course subsequently and in the Offer Document.

12. OVERSEAS SHAREHOLDERS

12.1 Overseas Shareholders

Subject to the Conditions Precedent having been fulfilled (or waived in accordance with the SPA, to the extent legally permissible), the availability of the Offer to shareholders whose addresses are outside Singapore as shown in the register of members of the Company or in the records of The Central Depository (Pte) Limited (as the case may be) (each, an "**Overseas Shareholder**") may be affected by the laws and regulations of the relevant overseas jurisdictions in which they are located. Accordingly, all Overseas Shareholders should inform themselves about and observe any applicable legal requirements in the relevant overseas jurisdictions. Further details in relation to Overseas Shareholders will be contained in the Offer Document.

12.2 Overseas Jurisdictions

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law. The Offer will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying

the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction ("**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

13. CAUTIONARY NOTE

There is no assurance that the Acquisition and/or the Offer will proceed. Shareholders and potential investors should exercise caution when trading in the Company's Shares, and where in doubt as to the action they should take, they should consult their stockbroker, bank manager, accountant, solicitor, tax adviser or other professional advisers.

14. RESPONSIBILITY STATEMENT

The directors of the Offeror (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed 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 any information has been extracted or reproduced from published or publicly available sources (including, without limitation, in relation to the Company or the Group), the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement in its proper form and context.

Issued by
CEL Impetus Corporate Finance Pte. Ltd.

For and on behalf of
Aier Eye International (Singapore) Pte. Ltd.

26 August 2019

Any inquiries relating to this Announcement or the Offer should be directed during normal business hours to:

CEL Impetus Corporate Finance Pte. Ltd.
Tel: +65 6202 4999

IMPORTANT NOTICE

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "expect", "anticipate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Offeror, Aier or CICF undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.