



ASIAN HEALTHCARE SPECIALISTS LIMITED

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

PROPOSED SUBSCRIPTION FOR 30,864,197 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

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 today entered into a subscription agreement (the "**Subscription Agreement**") with Sian Chay Medical Institution (the "**Subscriber**"), pursuant to which the Subscriber will subscribe for, and the Company will allot and issue to the Subscriber, 30,864,197 new ordinary shares (each a "**Subscription Share**") in the capital of the Company at an issue price of S\$0.162 for each Subscription Share (the "**Issue Price**"), amounting to an aggregate consideration of S\$5,000,000 (the "**Proposed Subscription**").

As at the date of this Announcement, the Company has an issued share capital of S\$61,918,329 comprising 546,605,998 ordinary shares ("**Shares**"). Immediately following the completion of the Proposed Subscription, the Company will have an enlarged issued and paid-up capital of S\$66,918,329 comprising 577,470,195 Shares of the Company. The Subscription Shares would represent approximately 5.65% of the issued Shares of the Company as at the date of this Announcement and approximately 5.34% of the issued Shares comprised in the enlarged share capital of the Company immediately after completion of the Proposed Subscription.

The Company did not appoint any placement agent for purposes of the Proposed Subscription, and no commission or introduction fees is payable by the Company in relation to the introduction of the Subscriber to the Company. RHT Capital Pte. Ltd. ("**RHT Capital**") has been appointed by the Company as its financial advisor in connection with the Proposed Subscription.

2. DETAILS OF THE PROPOSED SUBSCRIPTION

2.1. Details of the Subscriber

The Subscriber is a non-profit organisation that has been providing free Traditional Chinese Medicine (TCM) consultation, subsidised medicine, acupuncture treatment and tuina (Chinese therapeutic massage) to lower income and needy patients for over 100 years. The Medical Institution serves about 1,400 patient visits daily through its network of 13 branches.

The Subscriber is subscribing for the Subscription Shares for investment purposes.

The Subscriber was identified as a potential investor through the network of Dr Chin Pak Lin, the Executive Director and Chief Executive Officer of the Company.

The Proposed Subscription will not result in a change of controlling interest in the Company.

The Subscriber is not related to any Directors or substantial shareholders of the Company and does not fall within the category of restricted persons as listed in Rule 812(1) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). The Subscriber does not have any existing interest (whether direct or deemed) in the Shares.

The Subscription Shares, when allotted and issued, shall rank *pari passu* with, and shall carry all rights similar to, the then existing issued ordinary shares of the Company, except that they

will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion of the Proposed Subscription.

2.2. Issue Price

The Issue Price represents a premium of approximately 1.4% over the volume weighted average price of S\$0.1597 per Share and a discount of approximately 1.2% to the closing price of S\$0.164 per Share for trades done on the SGX-ST for the full market day on 6 December 2021, being the last market day for which the shares of the Company were traded on the SGX-ST prior to the execution of the Subscription Agreement.

The Issue Price was arrived at following arm's length negotiations between the Company and the Subscriber.

2.3. Conditions Precedent

Completion of the Proposed Subscription ("**Completion**") is conditional upon:

- (a) there being no material adverse change (as reasonably determined by the Subscriber in good faith) in the business, operations, properties, prospects or financial condition of the Group as a whole;
- (b) the listing and quotation notice for the Subscription Shares on the Catalist of the SGX-ST having been obtained and not having been revoked, and where such notice is subject to conditions, (i) such conditions being reasonably acceptable to the Company and the Subscriber and (ii) if such conditions are required to be fulfilled on or before Completion, such conditions are so fulfilled;
- (c) as of the date of Completion, the trading of the issued Shares on the Catalist Board of the SGX-ST not being suspended by the SGX-ST (other than a trading halt on a temporary basis requested by the Company) and the issued Shares not having been delisted from the Catalist Board of the SGX-ST;
- (d) the allotment, issue and subscription of the Subscription Shares and all the transactions contemplated in the Subscription Agreement not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority (including, without limitation, the Monetary Authority of Singapore ("**MAS**") and the SGX-ST) in Singapore or elsewhere, which is applicable to either the Company or the Subscriber, including the provisions of the Catalist Rules or the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"); and
- (e) the representations and warranties by the Company and the Subscriber under the Subscription Agreement remaining true and correct in all material respects as if made on the date of Completion, with reference to the then existing facts and circumstances, and each of them having performed all of its obligations under the Subscription Agreement to be performed on or before Completion.

If any of the conditions is not satisfied or waived on or before three (3) months from the date of the Subscription Agreement or such later date as the Company and the Subscriber may agree in writing, the Proposed Subscription will not proceed and the Subscription Agreement will lapse.

3. RATIONALE AND USE OF PROCEEDS

The Group has grown from an orthopaedics medical group to a multi-disciplinary medical services group that engages in the provision of a wide range of general and specialised healthcare services, comprising of anaesthesia, dermatology, family medicine, gastroenterology, orthopaedics, ophthalmology, otorhinolaryngology, urology and rehabilitative services.

The Group is constantly exploring opportunities to increase its service offerings to patients. Through the Proposed Subscription, the Board believes that the Net Proceeds will strengthen the Group's financial position and flexibility to capitalise on growth opportunities. The Proposed

Subscription will result in an injection of funds into the Company for potential acquisitions and/or organic growth.

The estimated net proceeds (the “**Net Proceeds**”) from the Proposed Subscription, after deducting estimated administrative and professional expenses, including fees payable to RHT Capital as financial adviser and to the Company’s legal advisers, will amount to approximately S\$4,850,000.

The Company intends to utilise 100% of the Net Proceeds for the following purposes:

Proposed use of Net Proceeds	% of Net Proceeds
Financing the Group’s business expansion (including organic expansion and mergers and acquisitions)	100%

Pending the utilisation of the Net Proceeds for such purposes, such proceeds may be placed in deposits with banks or financial institutions or invested in short-term money markets or debt instruments or for any other purpose on a short-term basis as the directors may, in their absolute discretion, deem fit from time to time.

The Company will make periodic announcements on the utilisation of the Net Proceeds from the Proposed Subscription as and when such proceeds are materially disbursed and provide a status report of the use of proceeds from the Proposed Subscription in the Company’s annual report. Where there is any material deviation from the stated use of proceeds, the Company shall announce the reasons for such deviation when such funds are materially disbursed.

4. FINANCIAL EFFECTS

The financial effects of Proposed Subscription on the Company are prepared based on the unaudited consolidated financial statements of the Company and its subsidiaries for the financial year ended 30 September 2021.

The financial effects below are purely **for illustrative purposes only** and do not reflect the actual financial performance or position of the Company and the Group after the Proposed Subscription.

4.1. Share Capital

	Before the Proposed Subscription	After the Proposed Subscription
Number of Shares	546,605,998 ⁽¹⁾	577,470,195

Note:

(1) Based on the number of Shares outstanding as at the date of this Announcement.

4.2. Earnings per ordinary share (“EPS”)⁽¹⁾

Assuming that the Proposed Subscription was completed on 1 October 2020, the effect on the Group’s EPS for the financial year ended 30 September 2021 would be as follows:

	Before the Proposed Subscription	After the Proposed Subscription
Profit attributable to shareholders of the Company (S\$’000)	4,476	4,476
Weighted average number of shares (’000)	475,942	506,806
EPS (SGD cents)	0.94	0.88

Note:

(1) Based on the Group's unaudited condensed financial statements for financial year ended 30 September 2021 as announced on 26 November 2021.

4.3. Net Tangible Assets ("NTA") per Share⁽¹⁾

Assuming that the Proposed Subscription was completed on 1 October 2020, the effect on the Group's NTA per Share for the financial year ended 30 September 2021 would be as follows:

	Before the Proposed Subscription	After the Proposed Subscription
NTA (S\$'000)	15,555	20,405
Number of ordinary shares in issue ('000)	546,606	577,470
NTA per Share (SGD cents)	2.85	3.53

Note:

(1) Based on the Group's unaudited condensed financial statements for financial year ended 30 September 2021 as announced on 26 November 2021.

5. DIRECTORS' OPINION

The Directors are of the opinion that (i) after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above, the Company has decided to undertake the Proposed Subscription to strengthen the Group's financial position and flexibility to capitalise on growth opportunities. The Proposed Subscription will result in an injection of funds into the Company for potential business investments and/or acquisitions.

The Directors are of the further opinion that, as at the date of this Announcement, after taking into consideration the Group's present bank facilities and the Net Proceeds from the Proposed Subscription, the working capital available to the Group is sufficient to meet its present requirements.

6. ADDITIONAL LISTING APPLICATION

The Company, through its sponsor, RHT Capital, will be making an application to the SGX-ST for the listing of and quotation for the Subscription Shares on the Catalist of the SGX-ST. The Company will make the necessary announcements upon receipt of the listing and quotation notice from the SGX-ST.

7. AUTHORITY FOR ISSUE OF SUBSCRIPTION SHARES

The Subscription Shares will be issued pursuant to the general mandate approved by the Company's shareholders at the annual general meeting of the Company held on 28 January 2021 ("**2021 Share Issue Mandate**").

The 2021 Share Issue Mandate authorises the Directors to allot and issue new Shares and/or convertible securities of not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the 2021 Share Issue Mandate (being 455,933,025 Shares), of which the aggregate number of Shares to be issued other than on a pro rata basis to existing shareholders shall not be more than 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the 2021 Share Issue Mandate (being approximately 227,966,512 Shares).

17,700,000 shares were previously issued under the 2021 Share Issue Mandate prior to the date of the Subscription Agreement and as such, the total number of Shares that may be issued

pursuant to the 2021 Share Issue Mandate is 438,233,025 Shares, of which the number of Shares to be issued other than on a pro rata basis is 210,266,512 Shares.

Accordingly, the proposed issuance and allotment of the 30,864,197 Subscription Shares will be within the limits of the 2021 Share Issue Mandate and specific shareholder approval from Shareholders for the issuance and allotment of the Subscription Shares is not required.

8. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

The Proposed Subscription will be undertaken by way of a private placement in accordance with and in reliance on Section 272B of the SFA. As such, no prospectus or offer information statement will be lodged with the SGX-ST acting as agent on behalf of the MAS in connection with the issuance of the Subscription Shares.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or (so far as they are aware) substantial shareholders of the Company has any interest, direct or indirect, in the Subscription Agreement and transactions contemplated therein, other than through their respective directorships and/or shareholding interests, if any, in the Company.

10. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this Announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

By Order of the Board of
Asian Healthcare Specialists Limited

Dr Chin Pak Lin
Executive Director and CEO
13 December 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.

The contact person for the Sponsor is Mr Mah How Soon - Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com