

CHINA MEDICAL (INTERNATIONAL) GROUP LIMITED

(Company Registration No. 200505118M)

ENTRY INTO A SHARE PURCHASE AGREEMENT RELATING TO THE PROPOSED ACQUISITION OF 51% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF (I) EASTLIFE PTE LTD AND (II) MAXGLOBE PTE. LTD.

*Unless otherwise defined herein, all capitalised terms used in this announcement shall have the same meanings as defined in the announcement released on 21 October 2016, in respect of, inter alia, the Proposed Acquisition (the “**Previous Announcement**”).*

1. SHARE PURCHASE AGREEMENT

- 1.1 The board of directors (the “**Board**” of the “**Directors**”) of China Medical (International) Group Limited (the “**Company**” or “**Purchaser**” and together with its subsidiaries, the “**Group**”) refers to the Previous Announcement and is pleased to announce that the Company had on 7 November 2016 entered into a share purchase agreement (the “**Share Purchase Agreement**”) with the Asia Pacific Medical Group Limited (the “**Seller**”) to acquire 40,800 ordinary shares of Eastlife Pte Ltd and 81,600 ordinary shares in Maxglobe Pte. Ltd., representing 51% of the entire issued share capital (collectively the “**Sale Shares**”) of each of the companies (the “**Target Companies**”, together with their respective subsidiaries, the “**Target Group**”) from the Seller (the “**Proposed Acquisition**”).
- 1.2 Pursuant to the Share Purchase Agreement, the aggregate consideration payable by the Purchaser to the Seller for the Sale Shares shall be S\$9,500,000 (the “**Consideration**”). The Consideration shall be fully satisfied on completion of the Proposed Acquisition (the “**Completion**”) by the following:
- 1.2.1 a sum of S\$6,500,000 in cash payable to the Seller (“**Cash Consideration**”);
- 1.2.2 the issue and allotment of such number of shares (the “**Consideration Shares**”) in the issued and paid-up share capital of the Company (the “**Share Capital**”) at the issue price per Consideration Share (the “**Issue Price**”) which is the lower of:
- (a) S\$0.018; or
- (b) the price which represents a discount of 10% to the volume-weighted average price per share for all trades done on the SGX-ST Catalist Board for the full market date before the date of execution of the Share Purchase Agreement; and
- 1.2.3 the volume-weighted average price per share for all trades done on the SGX-ST Catalist Board for 4 November 2016 is S\$0.014. Accordingly, pursuant to the terms of the Share Purchase Agreement, the Issue Price is S\$0.0126 and 238,095,238 Consideration Shares are to be issued.
- 1.3 The Parties have also agreed under the Share Purchase Agreement that in the event completion of the Share Purchase Agreement does not take place by wilful act or omission or without reasonable cause, the defaulting party shall be required to reimburse the Seller (where the defaulting party is the Purchaser) or the Purchaser (where the defaulting party is the Seller or where the Seller fails to procure the Lead Doctor to fulfil his obligations) all costs and expenses incurred subject to a maximum cap of Singapore Dollars Two Hundred Thousand (S\$200,000).

- 1.4 Notwithstanding that the Proposed Acquisition does not constitute a “major transaction” under the ambit of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the “**Catalist Rules**”), the Board has concluded that it is appropriate, in the interests of good corporate governance to seek prior approval of shareholders for the Proposed Acquisition. Further information on the Proposed Acquisition will be provided in a circular to the shareholders to be issued by the Company in due course. In addition, an EGM to seek the approval of shareholders for the Proposed Acquisition will be convened in due course.

2. INFORMATION ON THE SELLER

- 2.1 Established in 1992, Asia Pacific Medical Group Limited provides a range of primary care and specialty services, with a focus on neurology and oncology. Asia Pacific Medical Group Limited introduced the first Gamma Knife machine to China and has since built a portfolio of hospitals and clinics in China and other parts of Southeast Asia, while also partnering with leading hospitals in China to provide medical, research and technology services.
- 2.2 Asia Pacific Medical Group Limited is wholly owned by Bain Gamma Limited, an exempted company incorporated in the Cayman Islands and majority owned by funds advised and affiliated with Bain Capital Private Equity (“**Bain Capital**”). Bain Capital is one of the world’s leading private multi-asset alternative investment firms with more than \$75 billion in assets under management.

3. INFORMATION ON THE TARGET COMPANIES

- 3.1 The Target Companies together with its wholly owned subsidiaries collectively own and operate clinics under The Sloane Clinic brand. Further particulars of the Target Companies are set out in Appendices A and B of this Announcement.
- 3.2 As one of the leading aesthetic clinics in Singapore and Malaysia, The Sloane Clinic is a chain of medical aesthetic clinics focusing on all aspects of cosmetic medicine from non-invasive aesthetic treatments to plastic surgery. The Sloane Clinic aims to empower change, be it defying the signs of ageing or enhancing one's beauty potential. The Sloane Clinic’s team of doctors constantly seek out and fuse the latest non-invasive cosmetic dermatology and cutting-edge plastic surgery techniques, etching their place at the forefront of new technologies. This unique marriage allows The Sloane Clinic to serve all beauty concerns without prejudice or limitations. Since its inception in 2003, The Sloane Clinic has constantly been at the forefront of new technologies, being one of the pioneers in Southeast Asia region to offer Ulthera®, Fraxel® Restore Laser and ARTAS® Robotic Hair Transplant. The Sloane Clinic's exclusive line of cosmeceuticals Sloane Inc. has also received numerous awards and is sold worldwide.
- 3.3 The Seller holds 51% of the issued and paid-up capital of each of the Target Companies as a financial investor. The remaining 49% of the issued and paid-up capital of each of the Target Companies is held by Medi Innovation Sdn Bhd which is currently under receivership. To the best of the Seller’s knowledge, Medi Innovation Sdn Bhd is not related to the Lead Doctor (as set out in para 4 below) or the Identified Doctors (as set out in para 6.2.1 below) and is an entity independent from the Seller, the Lead Doctor and the Identified Doctors.

4. INFORMATION ON THE LEAD DOCTOR

Dr Kenneth Lee is the co-founder and Medical Director of The Sloane Clinic since 2003. The Sloane Clinic has branches in Singapore and Malaysia, and is one of the leading medical outfits in aesthetic medicine and cosmetic surgery. Under his guidance, The Sloane Clinic has won Best Aesthetic Clinic by Singapore Tatler from 2011 to 2016 as well as the Singapore Successful Brand Award 2015. Dr Lee is a key opinion leader, master trainer as well as speaker on aesthetic-related medical topics in international aesthetic conferences.

5. RATIONALE FOR THE PROPOSED ACQUISITION

- 5.1 The Board is of the view that the Proposed Acquisition is in the best interests of the Company as The Sloane Clinic is a well-known group of medical aesthetics clinics in Singapore and Malaysia. The Proposed Acquisition is intended to expand the Group's medical aesthetics line into the Singapore and Malaysia markets to which it currently does not have a presence in. The Proposed Acquisition is in line with the Group's strategic plans and on-going efforts to pursue new investment opportunities and to diversify its business. This Proposed Acquisition will give the Group exposure to the medical aesthetic industry in Singapore and Malaysia and generate new revenue streams for the Group to improve its profitability and is likely to enhance the long term interests of shareholders.

6. PRINCIPAL TERMS OF THE SHARE PURCHASE AGREEMENT

6.1 Consideration

- 6.1.1 The Consideration was arrived at on a willing-buyer and willing-seller basis, after negotiations which were conducted on an arm's length basis amongst the Parties, after taking into account, *inter alia*, the business prospects of The Sloane Clinic and the Performance Assurance (as defined in para 6.2.2 below), which is the unconditional and irrevocable guarantee that the cumulative NPAT of the Target Companies for the Profit Target Period and as certified by the Purchaser's auditors shall not be less than S\$6,000,000.
- 6.1.2 On the issue and allotment of the Consideration Shares, the Consideration Shares shall be credited as fully paid-up and ranking *pari passu* in all respects with all the other then existing shares in the share capital of the Purchaser on Completion Date (as defined in para 6.7 below).
- 6.1.3 "NPAT" means the audited net profits of the Target Companies after taxation based on the audited consolidated accounts of the Target Group, as determined in accordance with accounting principles, standards and practices generally accepted in Singapore, prepared on the same basis and accounting principles as that of the accounts of the Company and after adjustments for non-operating items as mutually agreed between the Lead Doctor and the Purchaser.
- 6.1.4 The Company will be making an application to the Singapore Exchange Securities Trading Limited (the "SGX-ST") via its continuing sponsor as soon as reasonably practicable for the listing of, and quotation for, the Consideration Shares on the SGX-ST Catalist Board and will make the relevant announcements upon receipt of the listing and quotation notice from the SGX-ST.

- 6.1.5 As at 31 December 2015, the proforma NTA prepared based on unaudited consolidated financial results of the Target Companies is S\$984,216.
- 6.1.6 For the financial year ended 31 December 2015, the proforma net profits attributable to the assets being acquired prepared based on unaudited consolidated financial results of the Target Companies is S\$507,648.

6.2 Performance Assurance

- 6.2.1 Pursuant to the terms of the Share Purchase Agreement, one of the conditions precedent is the entry into by the Lead Doctor, the Doctor Entity (as defined in para 6.3.1 below) and the Identified Doctors of a deed of performance assurance (“**Deed of Performance Assurance**”). The Identified Doctors are Dr Low Chai Ling, Dr Chua Han Boon, Dr Tan Wang Theng and Dr Tan Ying Chien.
- 6.2.2 The Lead Doctor, the Doctor Entity and the Identified Doctors shall unconditionally and irrevocably guarantee that the cumulative NPAT for the Profit Target Period as certified by the Purchaser’s auditors is not less than S\$6 million (the “**Performance Assurance**”).
- 6.2.3 The Profit Target Period means cumulatively the financial years ending 31 December 2017, 31 December 2018 and 31 December 2019.
- 6.2.4 In the event the actual NPAT over the Profit Target Period is less than the Performance Assurance, the Lead Doctor, the Doctor Entity and the Identified Doctors shall make good the difference between the Performance Assurance and the actual cumulative NPAT for the Profit Target Period (the “**Shortfall**”). The Lead Doctor, the Doctor Entity and the Identified Doctors is to make good the Shortfall in cash within 90 days of demand by the Purchaser.

6.3 Doctor’s Shares, Service Agreement and Employment Agreements

- 6.3.1 In consideration of the provision of the Performance Assurance, the Purchaser had pursuant to the Framework Agreement agreed to issue and allot 158,730,158 shares in the share capital of the Purchaser based on the Issue Price and at NIL consideration to the Lead Doctor or to an entity which is owned by the Lead Doctor and the Identified Doctors (the “**Doctor Entity**”) and ranking *pari passu* in all respects with all the other then existing shares in the share capital of the Purchaser (the “**Doctor’s Shares**”) on Completion Date (as defined in para 6.7 below). The issue of the Doctor’s Shares shall be subject to shareholders’ approval at an EGM to be convened in due course.
- 6.3.2 The Company will be making an application to the SGX-ST via its continuing sponsor as soon as reasonably practicable after the execution of the Deed of Performance Assurance for the listing of, and quotation for, the Doctor’s Shares on the SGX-ST Catalist Board and will make the relevant announcements upon receipt of the listing and quotation notice from the SGX-ST.
- 6.3.3 The Lead Doctor shall enter into the Service Agreement to operate and manage The Sloane Clinic. The employment of the Lead Doctor shall commence from the Completion and continue for a term of 5 years and automatically extended by recurring periods of 3 years thereafter, unless and until terminated in accordance with the terms of the Service Agreement. The Lead Doctor shall commit his skills and resources exclusively to The Sloane Clinic, unless directed by the Company.

- 6.3.4 Pursuant to the terms of the Share Purchase Agreement, it is a condition precedent that the Lead Doctor procures the delivery to the Company of the Employment Agreements. The Employment Agreements refer to 5 year employment agreements to be entered into by any member of the Target Group and/or any entity within the Group, as may be directed by the Purchaser with each of the Identified Doctors, terms of which are to be mutually agreed upon by the Lead Doctor, the Identified Doctors and the Purchaser.

6.4 Moratorium

- 6.4.1 The Consideration Shares shall be subject to a 6-month moratorium period commencing on the Completion Date.
- 6.4.2 The Doctor's Shares shall also be subject to a 36-month moratorium period commencing on the Completion Date. In the event the cumulative NPAT for financial years ending 31 December 2017, 31 December 2018 and the unaudited net profits of the Target Companies after taxation based on the unaudited consolidated accounts of the Target Group for the 6-month period ending 30 June 2019 is less than S\$5,000,000, upon notice issued by the Purchaser to the Lead Doctor or the Doctor Entity, as the case may be, the moratorium period shall be extended by seven (7) months.
- 6.4.3 During the respective moratorium periods, the Seller and the Lead Doctor and/or the Doctor Entity, as the case may be, shall not (directly or indirectly), *inter alia*, offer, pledge, sell, contract to sell, grant any option, right or warrant to purchase, lend, hypothecate or encumber or otherwise transfer or dispose of, all or any part of the Consideration Shares or the Doctor's Shares, as the case may be.

6.5 Conditions Precedent in relation to the Share Purchase Agreement

The Completion is conditional upon, *inter alia*:

- 6.5.1 the results of a due diligence exercise over the Target Group being satisfactory to the Purchaser in its sole and absolute discretion and reveals no Material Adverse Effect;
- 6.5.2 all approvals, waivers or consents as may be required by the Seller to enable the Purchaser or (as the case may be) any acquiring entity to be registered as holder of any and all of the Sale Shares, and to give effect to the transactions contemplated under the Share Purchase Agreement being obtained and where any waiver, consent or approval is subject to conditions, such conditions being satisfactory to the Purchaser in its sole and absolute discretion and if required to be fulfilled by a particular date, being so fulfilled, and such approvals, waivers or consents remaining valid and in full force and effect;
- 6.5.3 the Target Companies not having received notice of any claim, action, injunction, order, directive or notice restraining or prohibiting the entering into or the consummation of the transactions contemplated by the Share Purchase Agreement or seeking damages or other recourse in respect thereof, or notice that any of the foregoing is pending or threatened;
- 6.5.4 there being no event having occurred which has or could reasonably be expected to have a Material Adverse Effect on the business, operations, assets, financial condition or prospects of the Target Companies;

- 6.5.5 the Purchaser obtaining such approval(s) in connection with the Share Purchase Agreement from its board of directors and shareholders;
- 6.5.6 the listing and quotation notice from the SGX-ST for the listing of, and quotation for, the Consideration Shares and the Doctor's Shares on the Catalist not having been revoked or amended and, where such approval is subject to, to the extent that any conditions for the listing of, and quotation for, the Consideration Shares and the Doctor's Shares on the Catalist are required to be fulfilled on or before Completion Date, they are so fulfilled;
- 6.5.7 the allotment, issue and subscription of the Consideration Shares and the Doctor's Shares not being prohibited by any statute, order, rule, regulation, directive or request promulgated or issued after the date of the Share Purchase Agreement by any legislative, executive or regulatory body or authority of Singapore or elsewhere, which is applicable to the Target Companies and/or the Purchaser;
- 6.5.8 the Purchaser not having received notice of any claim, action, injunction, order, directive or notice restraining or prohibiting the entering into or the consummation of the transactions contemplated by the Share Purchase Agreement or seeking damages or other recourse in respect thereof, or notice that any of the foregoing is pending or threatened;
- 6.5.9 the Lead Doctor having delivered to the Purchaser the duly executed Service Agreement and Deed of Performance Assurance; and
- 6.5.10 the Lead Doctor having procured the delivery to the Purchaser duly executed Employment Agreements (as defined in para 6.3.4) and Deed of Trade Marks Assignment (as defined below).

For the purposes of the Share Purchase Agreement, Material Adverse Effect means any fact, matter, event, circumstance or condition that, individually or in combination with any other facts, matters, events, circumstances or conditions, has had, a material adverse effect on the business, operations, conditions (financial or otherwise), cashflows, assets or prospects of the Target Group taken as a whole, and if such fact, matter, event, circumstance or condition is quantifiable, resulting in losses, liabilities, costs and expenses to the Target Group amounting to 10% or more of the Consideration, but excludes any change or effect resulting from general economic conditions or any change or effect which has a general impact on the industry in which the Target Group operates to the extent that such changes or events do not have a materially disproportionate effect on the Target Group as compared to other entities in the same industry with substantially similar business.

6.6 Deeds of Assignment

- 6.6.1 Dr Low Chai Ling, one of the Identified Doctors, is currently the legal and beneficial owner of certain trade marks used in the business operated by the Target Companies. Pursuant to the terms of the Share Purchase Agreement, it is a condition precedent that the Lead Doctor is to procure the delivery of a deed of trade marks assignment (the "**Deed of Trade Marks Assignment**") be entered into by the Purchaser with Dr Low Chai Ling, in relation to the transfer and absolute assignment of the trade marks from Dr Low Chai Ling to the Purchaser on terms to be mutually agreed between the Purchaser and Dr Low Chai Ling.
- 6.6.2 Pursuant to the terms of the Share Purchase Agreement, one of the items to be delivered by the Seller to the Purchaser at Completion is a deed of assignment

executed by the Seller in favour of the Purchaser whereby the Seller shall assign to the Purchaser all outstanding dividends owing by the Target Companies to the Seller at NIL consideration.

6.7 Completion

Subject to the conditions precedent of the Proposed Acquisition being satisfied or waived, the Proposed Acquisition is expected to be completed on 31 December 2016 after the satisfaction of the conditions precedent set out in the Share Purchase Agreement or such other date as may be mutually agreed between the Parties in writing (the “**Completion Date**”).

7. BOARD’S VIEW ON THE PERFORMANCE ASSURANCE

7.1 The view of the Board

7.1.1 The Board is of the view that the Performance Assurance is acceptable to the Company and shareholders taking into account the following factors:

- (a) The Sloane Clinics are a comprehensive specialty chain of clinics focusing on all aspects of aesthetics, from cosmetic dermatology to plastic surgery both in Singapore and Malaysia; and
- (b) The Lead Doctor has a wealth of experience and is a reputable doctor who specialises in ablative lasers and fillers.

7.2 Commercial bases and assumptions upon which the quantum of profit guarantee or the profit forecast is based

The quantum of the Performance Assurance was derived by the Lead Doctor taking into consideration the future plans of the Target Companies for the next three financial years after the Proposed Acquisition. Under the leadership of the Lead Doctor, the Group intends to expand The Sloane Clinic into other parts of Asia, including China, Indonesia, Philippines and Thailand.

7.3 Manner and amount of compensation to be paid by the Lead Doctor

Under the terms of the Framework Agreement and to be set out in the Deed of Performance Assurance, in the event that the Performance Assurance is not met, the Lead Doctor, Identified Doctors and Doctor Entity will, jointly and severally, within 90 days of demand by the Company, make good the Shortfall, by paying the Shortfall in cash to the Company.

7.4 Safeguards put in place to ensure the Company’s right of recourse

The Lead Doctor, Doctor Entity and the Identified Doctors shall be jointly and severally liable for the Shortfall in accordance with the terms of the Deed of Performance Assurance to be entered into. In addition, in the event of a Shortfall (as defined in para 6.2.4 above) and the Lead Doctor does not make good the Shortfall within 90 days of demand by the Company, the Lead Doctor or the Doctor’s Entity, shall take all such steps necessary to sell the Doctor’s Shares and shall utilize the proceeds from such sale, up till the amount necessary to make good the Shortfall.

8. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

8.1 Relative Figures under Rule 1006 of the Catalist Rules

8.1.1 Based on the latest announced unaudited consolidated financial statements of the Group for the period ended 30 June 2016, the relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable to an acquisition
(b)	Net profit attributable to the Target Companies as compared with the Group's net loss for the period ended 30 June 2016	-3.5% ⁽¹⁾
(c)	Aggregate value of the consideration as compared with the Company's market capitalisation as at 4 November 2016, being the last full market date before the date of execution of the Share Purchase Agreement ⁽²⁾	23.01%
(d)	The number of shares to be issued by the Company as consideration for the Proposed Acquisition, as compared with the number of equity securities of the Company previously in issue ⁽³⁾	13.46%
(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	N/A

Notes:

- (1) The net profit of the Target Companies for the period ended 30 June 2016 and the net loss of the Group for the period ended 30 June 2016 being S\$66,500 and S\$1,902,000 respectively.
- (2) Based on the consideration and market capitalisation of the Company of S\$41,287,866 which is determined by multiplying the issued share capital of the Company of 2,949,133,315 shares in issue with the volume weighted average price of S\$0.014 transacted on the SGX-ST Catalist Board on 4 November 2016 ("VWAP") (being the last full market day for which the shares were traded prior to the day the Share Purchase Agreement was entered into).
- (3) The Consideration Shares shall be issued by the Company as part consideration for the Proposed Acquisition and the Doctor's Shares shall also be issued in connection with the Proposed Acquisition. The issue price of S\$0.0126 for the Consideration Shares and Doctor's Shares represents a 10% discount to the VWAP and as such the aggregate amount of shares to be issued is 396,825,396.

8.2 Based on the above, the relative figures computed on the bases set out under Rule 1006(b), (c) and (d) of the Catalist Rules are between -3.5% and 23.01% but are less than 75%. Notwithstanding that the Proposed Acquisition does not constitute a "major transaction" under the ambit of the Catalist Rules, the Company will be seeking shareholders' approval for reasons mentioned in paragraph 1.4 of this Announcement.

8.3 No person will be appointed to the Board in connection with the Proposed Acquisition. Accordingly, there is no service contract proposed to be entered into between the Company with any person proposed to be appointed as a director to the Board.

9. FINANCIAL EFFECTS

9.1 Bases and Assumptions

9.1.1 Shareholders are advised to read this section carefully and to note that the financial effects of the Proposed Acquisition set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Proposed Acquisition. The pro forma financial effect of the Proposed Acquisition is based on, *inter alia*:

- (i) the financial effects of the Proposed Acquisition on the Share Capital, Net Tangible Assets (“NTA”) and Earnings Per Share (“EPS”) of the Group based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2015 (“FY2015”) and the unaudited financial statements of the Target Companies for FY2015; and
- (ii) the effect of the Proposed Acquisition on the NTA per share had been effected on 31 December 2015 and the EPS assumes that the Proposed Acquisition had been effected on 1 January 2015.

9.2 Share Capital

	Before the Proposed Acquisition	After the Proposed Acquisition
Number of issued shares	2,649,133,315	3,045,958,711
Amount of share capital (S\$)	46,485,000	51,485,000

9.3 NTA

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S\$)	5,195,000	6,179,216
Number of shares	2,649,133,315	3,045,958,711
NTA per share (Singapore cents)	0.20	0.20

9.4 EPS

	Before the Proposed Acquisition	After the Proposed Acquisition
Loss for the year (S\$)	(1,309,000)	(801,352)
Number of shares	2,649,133,315	3,045,958,711
Loss per share (Singapore cents)	(0.049)	(0.026)

10. INTRODUCER FEE

The Company will be making a payment of S\$500,000 to Toh Ee Han for the introductory services provided by him with regards to the Proposed Acquisition subject to the successful completion of the Share Purchase Agreement.

11. CHANGE IN INTERESTS OF THE DIRECTORS, SUBSTANTIAL SHAREHOLDERS, THE SELLER AND THE LEAD DOCTOR

Details of the change in interests of the Directors, substantial shareholders, the Seller and the Lead Doctor before and after the Proposed Acquisition is set out in Appendix C of this Announcement.

12. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors, nor, to the best of the knowledge of the Directors, the substantial shareholders of the Company, has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings in the Company (if any).

13. SOURCE OF FUNDS

The Proposed Acquisition will be funded by internal resources as well as proceeds from fund raising exercises undertaken by the Company. Information on placement exercises undertaken by the Company are set out in the Company's announcements released on 24 October 2016 and 2 November 2016. The Proposed Acquisition is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the current financial year ending 31 December 2016.

14. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Share Purchase Agreement is available for inspection during normal business hours at the Company's registered office for a period of three (3) months from the date of this Announcement.

15. EGM AND CIRCULAR TO SHAREHOLDERS

The Company will convene an EGM to seek the approval of the Shareholders for the Proposed Acquisition and a circular containing, *inter alia*, details thereof, together with the opinions and recommendations of the Directors in relation thereto and enclosing the notice of EGM in connection therewith, will be dispatched to the Shareholders in due course.

16. RESPONSIBILITY STATEMENT

- 16.1 The Directors collectively and individually accept full responsibility (save in respect of the Seller, the Target Companies, the Target Companies' shareholders and the Lead Doctor) for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition and the

Group and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in the Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

- 16.2 The Seller accepts full responsibility for the accuracy of the information given in this Announcement in respect of itself, the Target Companies and the Target Companies' shareholders and confirm after making all reasonable enquiries that, to the best of its knowledge and belief, this Announcement constitutes full and true disclosure of all material facts in respect of itself, the Target Companies and the Target Companies' shareholders and it is not aware of any facts the omission of which would make any statement in this Announcement in respect of itself, the Target Companies and the Target Companies' shareholders misleading.
- 16.3 The Lead Doctor accepts full responsibility for the accuracy of the information given in this Announcement in respect of himself, the Identified Doctors and the Doctor Entity and confirm after making all reasonable enquiries that, to the best of its knowledge and belief, this Announcement constitutes full and true disclosure of all material facts in respect of himself, the Identified Doctors and the Doctor Entity and he is not aware of any facts the omission of which would make any statement in this Announcement in respect of himself, the Identified Doctors and the Doctor Entity misleading.

17. CAUTIONARY STATEMENT

The Board would like to advise shareholders that, although the Share Purchase Agreement has been entered into, completion of the Proposed Acquisition is subject to conditions precedents being fulfilled and there is no certainty or assurance as at the date of this Announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. Accordingly, shareholders are advised to exercise caution in dealings with the Shares. Shareholders are advised to read this Announcement and any further update announcement(s) released by the Company in connection with the Proposed Acquisition carefully. Shareholders 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

8 November 2016

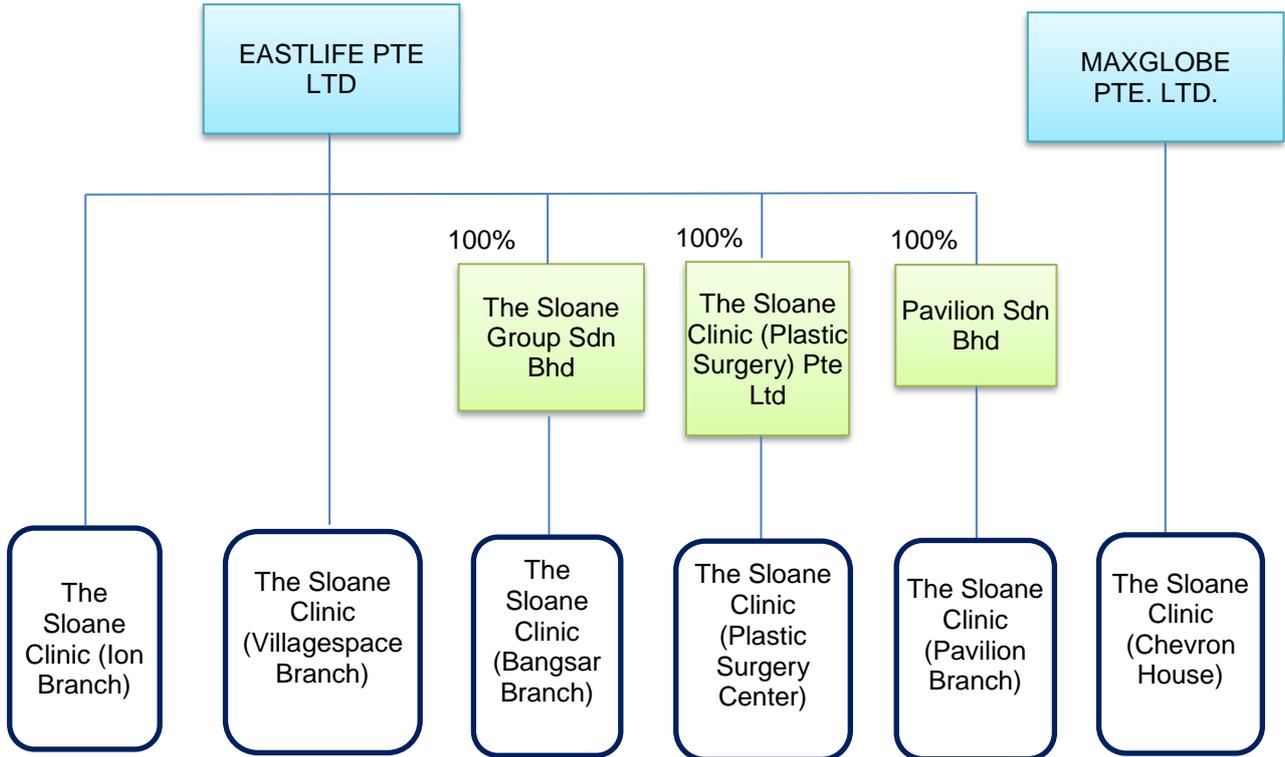
This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

APPENDIX A

ORGANISATION STRUCTURE OF TARGET GROUP



APPENDIX B

DETAILS OF TARGET COMPANIES

Name of Target Company : **Eastlife Pte Ltd**

Registered Number : 199307483C

Registered office : 2 Jalan Kilang Barat
#05-01 Singapore 159346

Date and place of incorporation : 12 November 1993
Singapore

Number of issued shares and issued share capital : 80,000 ordinary shares; S\$80,000

Registered shareholder and shares held : Medi Innovation Sdn Bhd – 39,200 ordinary shares;
Asia Pacific Medical Group Limited – 40,800 ordinary shares.

Directors : Dr Hardie Billy
Li Min
Chow Chu Keung
Pan Jie

Name of Target Company : **Maxglobe Pte. Ltd.**

Registered Number : 200300966C

Registered office : 2 Jalan Kilang Barat
#05-01 Singapore 159346

Date and place of incorporation : 30 January 2003
Singapore

Number of issued shares and issued share capital : 160,000 ordinary shares; S\$160,000 share capital

Registered shareholder and shares held : Medi Innovation Sdn Bhd – 78,400 ordinary shares;
Asia Pacific Medical Group Limited – 81,600 ordinary shares.

Directors : Dr Hardie Billy
Li Min
Chow Chu Keung
Pan Jie

APPENDIX C

CHANGE IN INTERESTS OF THE DIRECTORS, THE SUBSTANTIAL SHAREHOLDERS, THE SELLER AND THE LEAD DOCTOR

As of the date of this announcement, the interests of the directors and substantial shareholders before and after the Proposed Acquisition are as follows:

	As at date of this announcement and before the Proposed Acquisition		After the completion of the Proposed Acquisition based on the Enlarged Share Capital ⁽¹⁾		After the Proposed Acquisition based on a Fully Diluted Basis ⁽²⁾	
	Number of Shares ('000)	Approximate Direct Interest (%) ⁽³⁾	Number of Shares ('000)	Approximate Direct Interest (%)	Number of Shares ('000)	Approximate Direct Interest (%)
Directors						
Tai Kok Chuan	130,000	4.41	130,000	3.89	160,000	3.58
Hano Maeloa ⁽⁴⁾	-	-			30,000 ⁽⁴⁾	0.67
Wong Fook Choy Sunny	600	0.02	600	0.02	21,950	0.49
Yeo Chin Tuan Daniel	-	-	-	-	20,000	0.45
Substantial Shareholders						
Dato Dr. Choo Yeow Ming	275,000	9.32	275,000	8.22	275,000	6.15
Qiang Lin Mei	275,000	9.32	275,000	8.22	275,000	6.15
Kiow Kim Yoon	300,000	10.17	300,000	8.97	300,000	6.71
Mdm Oei Siu Hoa @ Sukmawati Widjaja ⁽⁴⁾	200,000	6.78	200,000	5.98	200,000 ⁽⁴⁾	4.48
Seller						
Asia Pacific Medical Group Limited	-	-	238,095 ⁽⁵⁾	7.12	238,095 ⁽⁵⁾	5.33
Lead Doctor						
Dr Kenneth Lee or the Doctor Entity	-	-	158,730 ⁽⁶⁾	4.74	158,730 ⁽⁶⁾	3.55
Other public shareholders	1,768,533	59.97	1,768,533	52.86	2,789,212	62.43
Total Share Capital	2,949,133	100.0	3,345,958	100.0	4,467,987	100.0

Notes:

- (1) "Enlarged Share Capital" shall mean the aggregate of the share capital of the Company, the Consideration Shares and the Doctor's Shares, being 3,345,958,711 Shares and assuming that none of the outstanding convertible securities of the Company (including options and warrants) that are subsisting or that are proposed as at the date of the Share Purchase Agreement are exercised or converted.
- (2) "Fully Diluted Basis" shall mean an aggregate of 4,467,988,303 Shares that have been issued and additional shares that could be issued pursuant to all agreements, options, warrants or other convertible securities that are subsisting or that are proposed as at the date of the Share Purchase Agreement (regardless of whether they are vested, exercisable or convertible in accordance with their terms). For the avoidance of doubt, the aggregate of 4,467,988,303 Shares on a Fully Diluted Basis consist of, as at the date of the Share Purchase Agreement, the outstanding Share Capital of

2,949,133,315 Shares, the Consideration Shares, the Doctor's Shares, 66,179,592 listed warrants convertible into 66,179,592 Shares, 950,000,000 unlisted warrants convertible to 950,000,000 Shares and 105,850,000 outstanding share options pursuant to an employee share option scheme of the Company.

- (3) Based on the existing Share Capital of the Company as of the date of this announcement comprising 2,949,133,315 Shares.
- (4) Mr Hano Maeloa and Mdm Oei Siu Hoa @ Sukmawati Widjaja are deemed to be interested in the shares held by each other as Mdm Oei Siu Hoa @ Sukmawati Widjaja is the mother of Mr Hano Maeloa.
- (5) 238,095,238 Consideration Shares will be issued and allotted pursuant to the Proposed Acquisition.
- (6) 158,730,158 Doctor's Shares will be issued and allotted in connection with the Proposed Acquisition.