

# MANDATORY CONDITIONAL 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: 43000000001637)

(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. ("**Offeror**") and parties acting in concert with it

## OFFER ANNOUNCEMENT ("ANNOUNCEMENT")

### 1. INTRODUCTION

Reference is made to the pre-conditional mandatory cash offer announcement dated 26 August 2019 ("**Pre-Con Offer Announcement Date**") for Shares by CEL Impetus Corporate Finance Pte. Ltd. ("**CICF**") for and behalf of the Offeror ("**Pre-Con Offer Announcement**").

Capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed in the Pre-Con Offer Announcement.

### 2. SATISFACTION OF ALL CONDITIONS PRECEDENT AND COMPLETION OF THE SPA

The Offeror is pleased to announce the fulfillment of all the Conditions Precedent to the SPA, and in accordance therewith, the Offeror has completed the acquisition of 186,321,991 Shares comprising 35% of the total issued Shares<sup>1</sup>, at the price of S\$0.36 per Sale Share, for a total consideration of S\$S\$67,075,916.76 in accordance with the terms and conditions of the SPA

<sup>1</sup> Unless otherwise stated, 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 (based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore on the date of this Announcement).

("Acquisition") on 25 October 2019.

**As a result of the completion of the Acquisition, CICF wishes to announce, for and on behalf of the Offeror, that the Offeror intends to make a mandatory conditional cash offer ("Offer") in accordance with Rule 14 of the Code for all the issued and paid-up ordinary 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.**

### 3. TERMS OF THE OFFER

Subject to the terms and conditions to be set out in the Offer Document, the Offer is made 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 Pre-Con Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by the Company) on or after the Pre-Con Offer Announcement Date.

Accordingly, in the event any dividend, right, return of capital and/or other entitlement ("**Distribution**") is declared, paid or made by the Company in respect of the Offer Shares on or after the Pre-Con Offer Announcement Date to a Shareholder who validly accepts the Offer (the "**Accepting Shareholder**"), the Offer Price payable to such Accepting Shareholder may be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by the Accepting Shareholder falls, as follows:

- (1) if such settlement date falls on or before the books closure date for determination of entitlements to any Distribution ("**Books Closure Date**"), the Offer Price for each Offer Share shall remain unadjusted and the Offeror shall pay the Accepting Shareholder the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; or
- (2) if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (the Offer Price after such reduction, the "**Adjusted Offer Price**") and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

- (c) **Minimum Acceptance Condition.** The Offer is solely 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.

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

#### 4. FINANCIAL EVALUATION OF THE OFFER

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

Description	Benchmark Price (S\$) <sup>(1)(2)</sup>	Premium over Benchmark Price % <sup>(3)</sup>
Last transacted price per Share as quoted on the SGX-ST on 28 June 2019, being the last trading day prior to the trading halt of the Shares, preceding the date of the Holding Announcement (" <b>Holding Announcement Date</b> ")	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 Pre-Con Offer Announcement Date (" <b>Last Trading Day</b> ")	0.325	10.77
Volume-weighted average price (" <b>VWAP</b> ") of the Shares for the one-month period up to the last trading day preceding the Holding Announcement Date	0.322	11.80
VWAP of the Shares for the one-month period up to and including the Last Trading Day	0.341	5.57
VWAP of the Shares for the three-month period up to the last trading day preceding the Holding Announcement Date	0.316	13.92
VWAP of the Shares for the three-month period up to and including the Last Trading Day	0.340	5.88
VWAP of the Shares for the six-month period up to the last trading day preceding the Holding Announcement Date	0.306	17.65
VWAP of the Shares for the six-month period up to and including the Last Trading Day	0.325	10.77
VWAP of the Shares for the 12-month period up to the last trading day preceding the Holding Announcement Date	0.301	19.60
VWAP of the Shares for the 12-month period up to and including the Last Trading Day	0.316	13.92

**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.

## 5. INFORMATION ON THE OFFEROR AND AIER

### 5.1 The Offeror

The Offeror is a private limited company incorporated and domiciled in Singapore. The Offeror is a 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 making the Offer.

As at the date of this Announcement, 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 Yongmei.

### 5.2 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 operation of hospitals and ophthalmological clinics.

As at the date of this Announcement, 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 118 billion.

## 6. 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 on 28 October 2014<sup>2</sup>. 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 centres<sup>3</sup>.

As at the date of this Announcement, 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 Shares<sup>4</sup>, excluding 386,400 treasury shares<sup>5</sup>. Based on publicly available information, the Company does not have any outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights.

As at the date of this Announcement, 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.

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

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

<sup>4</sup> Based on the 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

<sup>5</sup> Based on the 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

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

### 7.1 Compliance with the Code

As a result of the completion of the Acquisition, the Offeror is required to make the Offer in compliance with the requirements of the Code.

### 7.2 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 are detailed in the table below:

	Average Trading Volume ("ADTV") <sup>(1)</sup>	Daily Volume	ADTV as a percentage of total Shares <sup>(2)(3)</sup>
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 ADTV of Shares traded divided by the total number of issued Shares (excluding 386,400 treasury shares).
- (3) Rounded to the nearest two (2) decimal places.

### 7.3 Offer Price at a premium to traded prices at different time periods over the last 12 months prior to the trading day immediately preceding the Holding Announcement Date.

When compared to the benchmark prices of the Shares prior to the trading day immediately preceding the Holding Announcement Date, the Offer Price represents a premium of approximately 11.80%, 13.92%, 17.65% and 19.60% 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.

### 7.4 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.

## **8. LISTING STATUS AND COMPULSORY ACQUISITION**

### **8.1 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 (the "**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 or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted.

### **8.2 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 paragraph 2.5 of the Pre-Con Offer Announcement), 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 pursuant to acceptances of the Offer.

## 9. UPDATES ON SUPPLEMENTAL EMPLOYMENT AND SERVICE AGREEMENTS

Further to the Pre-Con Offer Announcement, there have been certain changes to the arrangements to the employment agreements with the Sellers ("**Revised Employment Arrangement**").

Dr. Choong Yee Fong, Dr. Michael Law Sie Haur, Dr. Fang Seng Kheong and Dr. Lim Kian Seng ("**Affected Doctors**") will not be entering into the Supplemental Employment Agreements, and instead will be resigning from their positions with the Group and entering into new employment agreements which will incorporate the terms of the Affected Doctors' existing employment contracts as proposed to be modified by the respective Supplemental Employment Agreements. Therefore, there will be no material change to the terms already agreed in the Supplemental Employment Agreements as set out in paragraph 3 of the Pre-Con Offer Announcement. The resignation date of the Affected Doctors and effective date of the new employment agreements are contemplated to take place after Completion on dates to be mutually agreed between the Offeror, the respective Affected Doctors and the Company.

Dr. Lee Hung Ming, Dr. Wong Jun Shyan and Dr. Robert Yeo Kim Chuan will enter into their respective Supplemental Service Agreements and Supplemental Employment Agreements as previously disclosed in paragraph 3 of the Pre-Con Offer Announcement.

The SIC has on 22 October 2019 confirmed that the Revised Employment Arrangement does not affect any of the rulings contained in its letter dated 23 August 2019, and which was set out under paragraph 4 of the Pre-Con Offer Announcement.

## 10. DISCLOSURE OF HOLDINGS AND DEALINGS IN COMPANY SECURITIES

### 10.1 Shareholdings and Dealings

As at the date of this Announcement, save for the Sale Shares to be acquired by the Offeror pursuant to the Acquisition, 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 date of this Announcement.

### 10.2 Security Interests, Borrowing or Lending of Company Securities

The Sale Shares acquired by the Offeror pursuant to the Acquisition were charged, and the Shares which will 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 Acquisition and the Offer.

### 10.3 Other Arrangements

As at the date of this Announcement and based on the latest information available to the Offeror, save as disclosed in paragraph 10.2 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.

#### **10.4 No Irrevocable Undertakings**

As at the date of this Announcement, save for the Undertakings described in paragraph 2.5 of the Pre-Con Offer Announcement, none of the Relevant Persons has received any irrevocable undertaking from any party to accept or reject the Offer.

#### **10.5 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.

### **11. OVERSEAS SHAREHOLDERS**

#### **11.1 Overseas Shareholders**

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.

#### **11.2 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.

## **12. CONFIRMATION OF FINANCIAL RESOURCES**

CICF, as the financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer, taking into account the Undertakings, on the basis of the Offer Price.

## **13. OFFER DOCUMENT**

The Offer Document will be despatched to shareholders not earlier than 14 days and not later than 21 days from the date of this Announcement.

Shareholders are advised to exercise caution when dealing in their Shares, pending receipt of the Offer Document.

## **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.**

25 October 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.*