

CIRCULAR DATED 6 JULY 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser(s) immediately.

If you have sold or transferred all your shares in the capital of Asian Healthcare Specialists Limited (the "Company"), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular 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 Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular.

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

This Circular has been made available on SGXNET today and may be found at the URL <https://www.sgx.com/securities/company-announcements> and is also available on the Company's website at the URL <https://investor.asianhealthcare.com.sg/egm.html>. A printed copy of this Circular will NOT be despatched to Shareholders.

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by way of (a) watching the EGM proceedings via "live" webcast or listening to the EGM proceedings via "live" audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM. Questions can be submitted via the pre-registration website at the URL <https://investor.asianhealthcare.com.sg/egm.html>, in hard copy by sending personally or by post and lodging the same at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or by email to the Company's Share Registrar at srs.teamc@boardroomlimited.com by 10:00 a.m. on 18 July 2021.

Please refer to Section 8 of this Circular and the Notice of Extraordinary General Meeting for further information, including the steps to be taken by Shareholders to participate at the EGM. The Notice of Extraordinary General Meeting has been made available on SGXNET and may be found at the URL <https://www.sgx.com/securities/company-announcements> and on the Company's website at the URL <https://investor.asianhealthcare.com.sg/egm.html>.

Shareholders should note that the Company may make further changes to its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the Infectious Diseases Regulations and the COVID-19 Act and any regulations promulgated thereunder (including the COVID-19 Order) as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company as may be made from time to time on SGXNET.



ASIAN HEALTHCARE SPECIALISTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201727543R)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) **PROPOSED ACQUISITION OF THE REMAINING 49.0% INTEREST IN THE COMPANY'S SUBSIDIARY, CORNERSTONE ASIA HEALTH PTE. LTD. ("PROPOSED ACQUISITION"), UNDER CHAPTER 9 OF THE CATALIST RULES**
- (2) **PROPOSED ALLOTMENT AND ISSUANCE OF 72,972,973 CONSIDERATION SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.185 FOR EACH CONSIDERATION SHARE ("PROPOSED ALLOTMENT") UNDER RULE 805(1) OF THE CATALIST RULES AS PART OF THE PURCHASE CONSIDERATION PURSUANT TO THE PROPOSED ACQUISITION, OF WHICH 22,059,989 CONSIDERATION SHARES ARE TO BE ISSUED TO DR. CHENG CHING LI, BOBBY UNDER RULE 804 AND RULE 812 OF THE CATALIST RULES**

Independent Financial Adviser in relation to the Proposed Acquisition as an Interested Person Transaction



EVOLVE CAPITAL ADVISORY PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201718400R)

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	18 July 2021 at 10:00 a.m.
Last date and time to pre-register online to attend the EGM remotely	:	18 July 2021 at 10:00 a.m.
Date and time of Extraordinary General Meeting	:	21 July 2021 at 10:00 a.m.
Place of Extraordinary General Meeting	:	The EGM will be held by way of electronic means. Please refer to Section 8 of this Circular for further details.

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

“ACRA”	: Accounting and Corporate Regulatory Authority of Singapore
“AHSIH”	: AHS Investments Holdings Pte. Ltd.
“ARMC”	: The audit and risk management committee of the Company as at the date of this Circular
“CAH”	: Cornerstone Asia Health Pte. Ltd., the Company’s 51.0% owned subsidiary
“CAH Group”	: CAH and its subsidiaries
“Catalist”	: The Catalist board of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	: The Listing Manual of the SGX-ST, Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“CDP”	: The Central Depository (Pte.) Limited
“Circular”	: This circular to Shareholders dated 6 July 2021
“Companies Act”	: The Companies Act, Chapter 50 of Singapore
“Company”	: Asian Healthcare Specialists Limited
“Completion”	: The completion of the Proposed Acquisition in accordance with the terms and conditions set out in the SPA
“Completion Date”	: The date of Completion
“Conditions Precedent”	: Has the meaning ascribed to it in Section 2.5 of this Circular
“Consideration”	: S\$16.0 million, being the aggregate consideration for the Proposed Acquisition
“Consideration Shares”	: The 72,972,973 new Shares to be allotted and issued by the Company to the Vendors at an issue price of S\$0.185 for each new Share, as part of the Consideration
“Control Order Regulations”	: The COVID-19 (Temporary Measures) (Control Order) Regulations 2020, as amended, modified or supplemented from time to time
“COVID-19 Act”	: The COVID-19 (Temporary Measures) Act 2020, as amended, modified or supplemented from time to time
“COVID-19 Order”	: The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as amended, modified or supplemented from time to time

DEFINITIONS

“COVID-19 Order Guidance”	: The checklist first issued on 13 April 2020 and updated on 27 April 2020, 22 June 2020 and 1 October 2020 by ACRA, the Monetary Authority of Singapore and Singapore Exchange Regulation as guidance for listed and non-listed entities on the conduct of general meetings during the period when elevated safe distancing measures are in place
“Directors”	: The directors of the Company for the time being
“Dr. Cheng”	: Dr. Cheng Ching Li, Bobby, a Director and Substantial Shareholder of the Company
“EGM”	: The extraordinary general meeting of the Company to be held on 21 July 2021 at 10:00 a.m. , notice of which is given on pages N-1 to N-4 of this Circular
“EPS”	: Earnings per Share
“Employment Agreements”	: The employment agreements entered into by CAH Group with each of Dr. Ng Tay Meng, Dr. Seah Sheng Heang Geoffry, Dr. Khoo Shih Wee @ Lawrence Khoo, Dr. Ho Siew Hong and Dr. Cheng on 1 May 2021
“FY”	: Financial year ended or ending 30 September
“Group”	: The Company and its subsidiaries from time to time
“Independent Financial Adviser” or “IFA”	: Evolve Capital Advisory Private Limited
“IFA Letter”	: The letter from the IFA to the Independent Directors, as set out in Appendix A of this Circular
“Independent Directors”	: The Directors who are regarded as independent in respect of the Proposed Acquisition, being Dr. Chin Pak Lin, Dr. Yue Wai Man, Mr. Leow Chung Chong Yam Soon, Mr. Siek Wei Ting, Ryan, Mr. Vikram Nair and Mr. Yeo Wee Kiong
“Infectious Diseases Regulations”	: The Infectious Diseases (Measures to Prevent Spread of COVID-19) Regulations 2020
“IPT”	: The interested person transaction between the Company and Dr. Cheng in relation to the Proposed Acquisition, insofar as it involves Dr. Cheng
“Latest Practicable Date”	: 30 June 2021, being the latest practicable date prior to the issue of this Circular
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“Moratorium Shares”	: Has the meaning ascribed to it in Section 2.7 of this Circular
“NTA”	: Net tangible assets attributable to the owners of the Company
“Ordinary Resolutions”	: The ordinary resolutions as set out in the Notice of EGM

DEFINITIONS

“Proposed Acquisition”	: The proposed acquisition of the Sale Shares pursuant to the SPA
“Proposed Allotment”	: The proposed allotment and issuance of 72,972,973 Consideration Shares at an issue price of S\$0.185 for each Consideration Share to the Vendors as part of the Consideration
“Proposed Transaction”	: The Proposed Acquisition and the Proposed Allotment
“Register of Members”	: The Register of Members of the Company
“Reserved Consideration Shares”	: The 364,864 Consideration Shares out of the total Consideration Shares which the Vendors may designate the issuance of to business associates who have contributed to the success of the CAH Group under the SPA
“Restrictions”	: Has the meaning ascribed to it in Section 2.7 of this Circular
“SPA”	: The sale and purchase agreement dated 30 June 2021 between the Company and the Vendors in relation to the Proposed Acquisition
“Sale Shares”	: 33,495,379 issued and fully-paid ordinary shares in the capital of CAH owned by the Vendors, representing as at the date hereof 49.0% of the total number of issued shares in CAH
“Securities Accounts”	: Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent
“SFA”	: The Securities and Futures Act, Chapter 289 of Singapore
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, and where the context admits, mean the persons named as Depositors in the Depository Register maintained by the CDP and whose Securities Accounts maintained by the CDP are credited with those Shares
“Shares”	: Ordinary shares in the capital of the Company
“Substantial Shareholder”	: A person who has an interest directly or indirectly in 5% or more of the total number of voting Shares of the Company
“Term Sheet”	: The term sheet dated 9 April 2021 between the Company and the Vendors in relation to the Proposed Acquisition
“S\$” or “\$” and “cents”	: Singapore dollars and cents, respectively
“%” or “per cent.”	: Percentage or per centum

DEFINITIONS

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment for the time being. Any word defined under the Companies Act, the SFA, the Catalist Rules, The Singapore Code on Take-overs and Mergers or any relevant laws of the Republic of Singapore or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Catalist Rules, The Singapore Code on Take-overs and Mergers or any relevant laws of the Republic of Singapore or any modification thereof, as the case may be, unless otherwise provided.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day and date in this Circular is a reference to Singapore time and date, respectively, unless otherwise stated.

Any discrepancies in figures included in this Circular between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Rajah & Tann Singapore LLP has been appointed as the Singapore legal adviser to the Company in relation to the Proposed Transaction.

LETTER TO SHAREHOLDERS

ASIAN HEALTHCARE SPECIALISTS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201727543R)

Board of Directors

Dr. Chin Pak Lin (Executive Director/Chief Executive Officer)
Dr. Yue Wai Mun (Executive Director/Chief Medical Officer)
Dr. Cheng Ching Li, Bobby (Executive Director)
Mr. Leow Chung Chong Yam Soon (Non-Executive Chairman/Independent Director)
Mr. Siek Wei Ting, Ryan (Independent Director)
Mr. Vikram Nair (Independent Director)
Mr. Yeo Wee Kiong (Non-Executive and Non-Independent Director)

Registered Office

38 Irrawaddy Road
#09-42 Singapore 329563

6 July 2021

To: The Shareholders of Asian Healthcare Specialists Limited

Dear Sir / Madam

- (1) **PROPOSED ACQUISITION OF THE REMAINING 49.0% INTEREST IN THE COMPANY'S SUBSIDIARY, CORNERSTONE ASIA HEALTH PTE. LTD. ("PROPOSED ACQUISITION"), UNDER CHAPTER 9 OF THE CATALIST RULES**
- (2) **PROPOSED ALLOTMENT AND ISSUANCE OF 72,972,973 CONSIDERATION SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.185 FOR EACH CONSIDERATION SHARE ("PROPOSED ALLOTMENT") UNDER RULE 805(1) OF THE CATALIST RULES AS PART OF THE PURCHASE CONSIDERATION PURSUANT TO THE PROPOSED ACQUISITION, OF WHICH 22,059,989 CONSIDERATION SHARES ARE TO BE ISSUED TO DR. CHENG CHING LI, BOBBY UNDER RULE 804 AND RULE 812 OF THE CATALIST RULES**

1. INTRODUCTION

1.1 On 9 April 2021, the Board announced that the Company had entered into a term sheet dated 9 April 2021 ("**Term Sheet**") with the Vendors, in relation to the proposed acquisition by the Company of the remaining 49.0% of the issued and paid-up shares ("**Sale Shares**") in the Company's 51.0% owned subsidiary, Cornerstone Asia Health Pte. Ltd. ("**CAH**"), from its shareholders¹ ("**Vendors**") ("**Proposed Acquisition**"). Subsequently on 30 June 2021, the Board announced that the Company had entered into a sale and purchase agreement dated 30 June 2021 ("**SPA**") in relation to the Proposed Acquisition.

1.2 The Company is seeking Shareholders' approval due to the following reasons:

- (a) the Proposed Acquisition is deemed an interested person transaction pursuant to Chapter 9 of the Catalist Rules as Dr. Cheng Ching Li, Bobby ("**Dr. Cheng**"), a Director and Substantial Shareholder of the Company, is one of the Vendors;
- (b) the Proposed Acquisition involves the allotment and issue of 72,972,973 Consideration Shares to the Vendors (and/or their designated nominees) as part of the purchase consideration ("**Proposed Allotment**") which will be made pursuant to a specific mandate and the Company is seeking specific Shareholders' approval for the Proposed Allotment pursuant to Rule 805(1) of the Catalist Rules; and

¹ Dr. Ng Tay Meng, Dr. Seah Sheng Heang Geoffrey, Dr. Khoo Shih Wee @ Lawrence Khoo, Dr. Ho Siew Hong and Dr. Cheng Ching Li, Bobby.

LETTER TO SHAREHOLDERS

(c) the Proposed Allotment involves the allotment and issue of 22,059,989 Consideration Shares to Dr. Cheng which requires shareholder approval pursuant to Rules 804, 812(1) and 812(2) of the Catalist Rules.

1.3 Opinion of the IFA. The IFA has been appointed to provide an opinion letter as to whether the Proposed Acquisition, as an interested person transaction, is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders. The IFA Letter is set out in **Appendix A** to this Circular.

1.4 EGM. The Directors are convening an EGM to be held by way of electronic means on **21 July 2021 at 10:00 a.m.**, the notice of which is set out at pages N-1 to N-4 of this Circular, to seek Shareholders' approval for the Proposed Acquisition and the Proposed Allotment (collectively, "**Proposed Transaction**").

1.5 Circular. The purpose of this Circular is to provide Shareholders with information relating to the Proposed Acquisition (Ordinary Resolution 1) and the Proposed Allotment (Ordinary Resolution 2). Shareholders should note that Ordinary Resolution 1 and Ordinary Resolution 2 are inter-conditional upon each other. Accordingly, in the event that any of these resolutions is not approved, the other resolution will not be passed.

1.6 SGX-ST. The SGX-ST assumes no responsibility for the contents of the Circular including the correctness of any of the statements made or opinions expressed or reports contained in this Circular. If a Shareholder is in doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant, tax advisor or other professional adviser(s) immediately.

2. INFORMATION ON THE PROPOSED ACQUISITION

2.1 Information on CAH Group and the Vendors

CAH was incorporated in Singapore on 28 June 2017, and is a company limited by shares, with a share capital of S\$35,825,848.19 comprising 68,357,917 issued and fully paid-up ordinary shares, which are held by the Company and the Vendors in the following proportion:

Shareholders of CAH	Number of ordinary shares held in CAH	Percentage of shares to total issued capital (%)
Asian Healthcare Specialists Limited	34,862,538	51.00
Dr. Ng Tay Meng	5,623,728	8.23
Dr. Seah Sheng Heang Geoffry	2,825,011	4.13
Dr. Khoo Shih Wee @ Lawrence Khoo	6,529,826	9.55
Dr. Ho Siew Hong	8,391,042	12.28
Dr. Cheng	10,125,772	14.81
Total	68,357,917	100.00

The principal activities of CAH and its subsidiaries ("**CAH Group**") lie in the provision of multidisciplinary healthcare services across different specialisations, offering key services in ophthalmology, urology, dermatology and gastroenterology as well as family medicine. CAH Group's operations in the five medical disciplines comprise eight specialists and family medicine clinics that are founded by doctors who each have over 20 years of experience in their respective fields.

Among the Vendors are five of the specialists and medical doctors referred to in the paragraph above namely, Dr. Ng Tay Meng, Dr. Khoo Shih Wee @ Lawrence Khoo, Dr. Ho Siew Hong, Dr. Cheng and Dr. Seah Sheng Heang Geoffry. As at the Latest Practicable Date, the Vendors hold in aggregate 49.0% in CAH, of which Dr. Cheng holds 14.81% in CAH.

LETTER TO SHAREHOLDERS

2.2 Certain Financial Information of CAH Group

Based on CAH Group's unaudited consolidated financial statements for the 6 months ended 31 March 2021, CAH Group's net profit after tax was S\$2,964,000, and its net book value and net tangible assets was S\$1,749,000, as at 31 March 2021. Based on CAH Group's unaudited consolidated financial statements for the financial year ended 30 September 2020, CAH Group's net profit after tax was S\$4,772,000.

CAH Group's pro forma unaudited consolidated net profit after tax for the 6 months ended 31 March 2021, after adjustments for, *inter alia*, the Employment Agreements, is S\$2,120,000. CAH Group's pro forma unaudited consolidated net book value and net tangible assets as at 31 March 2021 was S\$905,000. CAH Group's pro forma unaudited consolidated net profit after tax for the financial year ended 30 September 2020, after adjustments for, *inter alia*, the Employment Agreements, is S\$3,711,000.

No independent valuation was conducted on CAH Group. CAH's operating subsidiaries operate as asset light entities with few tangible assets. Accordingly, the Company had not commissioned an independent property valuation. In arriving at the Consideration, the Company had considered the valuation of similar acquisitions made by other comparable Singapore listed healthcare providers. In addition, the Company had also considered the nature of CAH Group's business, and that the real value is intrinsic in the reputation and experience of the specialists and medical doctors in CAH Group. Due to the foregoing, the Company had concluded that an independent business valuation would not be necessary in the context of the Proposed Acquisition. Nevertheless, Evolve Capital Advisory Private Limited has been appointed as the IFA to provide an opinion as to whether the Proposed Acquisition is on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders, further details of which are set out in Section 3.3 and **Appendix A** of this Circular.

2.3 Rationale for the Proposed Acquisition

The Board is of the opinion that the Proposed Acquisition is in the best interests of the Group and is in line with the Group's business strategies and future plans to invest in management and healthcare professionals as part of its growth and expansion strategy, as outlined in the Offer Document of the Company dated 12 April 2018.

As a 100% shareholder, the Proposed Acquisition will give the Company full control over CAH Group's healthcare assets and strengthen the ability to align CAH Group's objectives with the Company's long-term strategic goals and align the commitment of the Vendors to grow further together with the Group. The Proposed Acquisition is also expected to enhance the Group's operational efficiency, flexibility, and patient service quality; and add to a larger and deeper integrated healthcare group with a comprehensive suite of enhanced and integrated multi-disciplinary specialist healthcare capabilities that will accelerate the nurturing, attraction, and retention of talent.

The benefits from the Proposed Acquisition will support the Group's vision to become a holistic and multi-disciplinary specialist healthcare provider, generate long-term shareholder value, and enhance the overall profile of the Group to bankers and investors.

2.4 Consideration

The consideration for the Proposed Acquisition is S\$16,000,000 ("**Consideration**"), which was arrived at on a willing buyer and willing seller basis after arm's length negotiations between the Company and the Vendors, after taking into account, *inter alia*, valuation of similar acquisitions made by other comparable Singapore listed healthcare providers, the business prospects of the CAH Group and the track record of the specialists and medical doctors in the CAH Group, and the capabilities and synergies between the Company and CAH Group.

LETTER TO SHAREHOLDERS

The Consideration will be satisfied by the Company as follows:

- (a) S\$2,500,000 in cash (“**Cash Consideration**”) to the Vendors on the completion date under the SPA (“**Completion Date**”) which will be funded by the proceeds of the placement of 17,700,000 ordinary shares in the share capital of the Company (“**Shares**”) in April 2021; and
- (b) S\$13,500,000 by the issue and allotment of 72,972,973 new Shares to the Vendors (and/or their designated nominees) credited as fully paid up at the issue price of S\$0.185 (“**Consideration Shares**”) on the Completion Date.

Under the terms of the SPA, the Vendors have the right to designate the issuance of up to an aggregate of 364,864 Consideration Shares (out of the total 72,972,973 Consideration Shares) to business associates who have contributed to the success of the CAH Group (“**Reserved Consideration Shares**”), in proportion to their respective shareholding percentages in the issued share capital of CAH for the time being, provided that written notice is given to the Company no later than five (5) business days prior to Completion Date.

The issue price for the Consideration Shares is at premium of 1.65% and 7.25% over the volume weighted average price of S\$0.1820 and S\$0.1725 for trades done on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the full Market Day on 7 April 2021, being the last full Market Day for which trades were done on the SGX-ST prior to the signing of the Term Sheet and on 30 June 2021, being the last full Market Day for which trades were done on the SGX-ST prior to the signing of the SPA. As at the Latest Practicable Date, the Consideration Shares represent approximately 15.41% of the existing share capital of the Company and approximately 13.35% of the enlarged share capital of the Company, respectively.

The Consideration Shares, when issued and allotted, shall rank *pari passu* in all respects with the then existing Shares. The Consideration Shares will be issued to the Vendors free from all encumbrances and will carry all rights similar to the existing Shares of the Company, except that they will not rank for any dividend, rights, allotment or other distribution, the record date for which falls on or before the date of issuance and allotment of the Consideration Shares.

The Company has submitted an application to the SGX-ST via its continuing sponsor for the listing of, and quotation for, the Consideration Shares on the Catalist and will make the necessary announcement(s) upon receipt of the listing and quotation notice from the SGX-ST.

Based on the proposed issuance and allotment of 72,972,973 Consideration Shares pursuant to the Proposed Allotment, the enlarged share capital of the Company will consist of 546,605,998 Shares (“**Enlarged Share Capital**”). Upon the issuance of the Consideration Shares, the shareholding of Dr. Ng Tay Meng, Dr. Seah Sheng Heang Geoffrey, Dr. Khoo Shih Wee @ Lawrence Khoo, Dr. Ho Siew Hong and Dr. Cheng in the Company will be 27,386,455, 13,757,243, 31,798,975, 41,267,103 and 49,310,528, representing 5.01%, 2.52%, 5.82%, 7.55% and 9.02% of the Enlarged Share Capital (and after the allocation of the Reserved Consideration Shares) respectively.

Dr. Cheng is a Director and Substantial Shareholder and hence is a person falling under Rule 804 and Rule 812(1) of the Catalist Rules. Therefore, the proposed issuance and allotment of 22,059,989 Consideration Shares to Dr. Cheng is subject to Shareholders’ approval. Please refer to Section 4 of this Circular for further details in relation to Rule 804 and Rule 812(1) of the Catalist Rules.

2.5 Conditions Precedent

Completion is subject to certain conditions precedent (the “**Conditions Precedent**”) being satisfied or waived in accordance with the SPA, including, *inter alia*, the following:

- (a) there not having been at any time hereafter and until Completion any material adverse change in relation to the affairs, operations, businesses, properties, financial condition (including liabilities, assets and results) and/or prospects of CAH Group;

LETTER TO SHAREHOLDERS

- (b) all the representations and warranties on the part of the Vendors under the SPA being true, accurate and not misleading as at the Completion Date;
- (c) the approval of the Shareholders for the Proposed Transaction at the EGM; and
- (d) the approval-in-principle of the SGX-ST for the listing of and quotation for the Consideration Shares on Catalist.

2.6 Completion

The Completion Date shall be the later of 30 July 2021 or the date falling one (1) business day after the last in time of the Conditions Precedent are satisfied or waived (as the case may be) in accordance with the SPA (or such other date as may be agreed in writing between the Vendors and the Company).

2.7 Moratorium on the Moratorium Shares Held by the Vendors

The Vendors have undertaken to the Company in relation to the Consideration Shares, excluding the Reserved Consideration Shares ("**Moratorium Shares**"), held by them that they shall not, during the periods as set out below, do or agree to do any of the following acts:

- (a) sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, any part of the Moratorium Shares;
- (b) enter into any transaction or other arrangement, in whole or in part, (including any swap, hedge or derivative transaction) with a similar economic effect to the foregoing, whether such transaction is to be settled by delivery of the Moratorium Shares, in cash or otherwise;
- (c) deposit all of their effective interest, in any Moratorium Shares in any depository receipt facility;
- (d) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; and
- (e) publicly announce any intention to do any of the above,

(collectively, "**Restrictions**").

Upon the allotment and issuance of the Moratorium Shares, the Restrictions shall apply to the Vendors as follows:

- (i) for the first 12-month period after Completion, the Restrictions shall apply to 100.0% of the Moratorium Shares issued to the Vendors;
- (ii) for the second 12-month period after Completion, the Restrictions shall apply to 80.0% of the Moratorium Shares issued to the Vendors;
- (iii) for the third 12-month period after Completion, the Restrictions shall apply to 60.0% of the Moratorium Shares issued to the Vendors;
- (iv) for the fourth 12-month period after Completion, the Restrictions shall apply to 40.0% of the Moratorium Shares issued to the Vendors; and
- (v) for the fifth 12-month period after Completion, the Restrictions shall apply to 20.0% of the Moratorium Shares issued to the Vendors.

For the avoidance of doubt, after the fifth 12-month period after Completion, the Restrictions shall not apply to the Vendors in respect of any Moratorium Shares.

LETTER TO SHAREHOLDERS

2.8 Financial Effects of the Proposed Acquisition

The proforma financial effects of the Proposed Acquisition on the net tangible assets attributable to the owners of the Company (“**NTA**”) per share and the earnings per share (“**EPS**”) of the Group are set out below. The proforma financial effects have been prepared based on (i) the audited financial results of the Group for the financial year ended 30 September 2020 and (ii) the unaudited pro forma financial results of CAH Group for the financial year ended 30 September 2020. The proforma financial effects are purely for illustration purposes only and are therefore not necessarily indicative of the actual financial position of the Group after Completion.

(a) NTA

For illustrative purposes only, the proforma financial effects of the Proposed Acquisition on the Group’s NTA per share, assuming that the Proposed Acquisition had been completed on 30 September 2020, being the end of the most recently completed financial year, are set out below:

NTA	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S\$’000)	12,083	10,294 ⁽¹⁾
Number of issued shares (’000)	455,933 ⁽³⁾	528,906 ⁽²⁾⁽³⁾
NTA per Share (cents)	2.65	1.95

Notes:

- ⁽¹⁾ Based on 49.0% of the CAH Group’s net tangible assets of S\$711,000 as at 30 September 2020.
- ⁽²⁾ Pursuant to the allotment and issuance of the Consideration Shares.
- ⁽³⁾ This excludes the effects of the Company’s issuance of 17,700,000 ordinary shares pursuant to the placement exercise conducted by the Company on 26 April 2021, as such issuance was completed during FY2021.

(b) EPS

For illustrative purposes only, the proforma financial effects of the Proposed Acquisition on the consolidated earnings of the Group, assuming that the Proposed Acquisition had been completed on 1 October 2019, being the beginning of the most recently completed financial year, are set out below:

EPS	Before the Proposed Acquisition	After the Proposed Acquisition
Profits attributable to the owners of the Company (S\$’000)	2,585 ⁽¹⁾	4,067 ⁽¹⁾⁽²⁾
Weighted average number of issued shares (’000)	392,222 ⁽⁴⁾	465,195 ⁽³⁾⁽⁴⁾
EPS – Basic (cents)	0.66	0.87

Notes:

- ⁽¹⁾ Based on the audited consolidated net profits after tax of the Group for the financial year ended 30 September 2020.
- ⁽²⁾ Based on 49.0% of the unaudited consolidated pro forma net profits after tax of CAH Group for the financial year ended 30 September 2020 and the audited consolidated net profits after tax of the Group for the financial year ended 30 September 2020, adjusted for the effects of the Employment Agreements.
- ⁽³⁾ Pursuant to the allotment and issuance of the Consideration Shares.
- ⁽⁴⁾ This excludes the effects of the Company’s issuance of 17,700,000 ordinary shares pursuant to the placement exercise conducted by the Company on 26 April 2021, as such issuance was completed during FY2021.

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2.9 Relative Figures under Chapter 10 of the Catalyst Rules

Relative figures of the Proposed Acquisition under Rule 1006 of the Catalyst Rules:

Rule 1006	Bases	Relative Figures (%) (Based on the Unaudited Consolidated Financial Statements of CAH Group)	Relative Figures (%) (Based on the Pro Forma Unaudited Consolidated Financial Statements of CAH Group)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable ⁽¹⁾	Not applicable ⁽¹⁾
(b)	The net profits ⁽²⁾ attributable to the assets acquired or disposed of, compared with the Group's net profits	69.0% ⁽³⁾	61.6% ⁽⁴⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	19.1% ⁽⁵⁾	19.1% ⁽⁵⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	15.4% ⁽⁶⁾	15.4% ⁽⁶⁾

Notes:

- ⁽¹⁾ This basis is not applicable to the Proposed Acquisition.
- ⁽²⁾ Pursuant to Rule 1002(3)(b) of the Catalyst Rules, "net profits" means profit before income tax, minority interests and extraordinary items.
- ⁽³⁾ Based on 49.0% of the unaudited consolidated net profits of CAH Group for the six months ended 31 March 2021 and the unaudited consolidated net profits of the Group for the six months ended 31 March 2021 attributable to the owners of the Company, being S\$1,680,000 and S\$2,435,000, respectively.
- ⁽⁴⁾ Based on 49.0% of the unaudited consolidated pro forma net profits of CAH Group for the six months ended 31 March 2021 and the unaudited consolidated net profits of the Group for the six months ended 31 March 2021 attributable to the owners of the Company, adjusted for the effects of the Employment Agreements, being S\$1,181,000 and S\$1,917,000, respectively.
- ⁽⁵⁾ Based on the Consideration and market capitalisation of the Company of approximately S\$83.83 million as at the close of trading on 30 June 2021.
- ⁽⁶⁾ The number of Consideration Shares to be issued by the Company as consideration for the Proposed Acquisition is 72,972,973 new Shares. As at the Latest Practicable Date, the Company has 473,633,025 Shares in issue.

Based on the above figures, the Proposed Acquisition constitutes a "discloseable transaction" under Rule 1010 of the Catalyst Rules and is not subject to shareholders' approval under Rule 1014(2) of the Catalyst Rules. Pursuant to Rule 1014(2) of the Catalyst Rules, the requirement for shareholders' approval does not apply in the case of an acquisition of profitable assets if the only limit breached is Rule 1006(b).

2.10 Directors' Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

LETTER TO SHAREHOLDERS

3. THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION

3.1 Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be entities at risk, with the listed company's interested persons. Under Chapter 9 of the Catalist Rules, where a listed company or any of its subsidiaries or any of its associated companies which is an entity at risk proposes to enter into transactions with the listed company's interested persons, the listed company is required to seek shareholders' approval if the value of the transaction (either in itself or aggregated with the value of other transactions with the same interested person) is equal to or exceeds 5% of the group's latest audited NTA. For the avoidance of doubt, the requirement for shareholders' approval does not apply to any transaction below S\$100,000.

For the purposes of Chapter 9 of the Catalist Rules:

- (a) **"approved exchange"** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules.
- (b) **"entity at risk"** means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.
- (c) **"interested person"** means:
 - (i) a director, chief executive officer, or controlling shareholder of the listed company; or
 - (ii) an associate of any such director, chief executive officer, or controlling shareholder.
- (d) **"interested person transaction"** means a transaction between an entity at risk and an interested person.
- (e) a **"transaction"** includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

3.2 The Proposed Acquisition as an Interested Person Transaction

(a) Details of the Interested Person

The Company is an entity at risk within the meaning of Chapter 9 of the Catalist Rules in relation to the Proposed Acquisition. Dr. Cheng, a Director of the Company and a Substantial Shareholder of the Company with an approximate 6% interest in the Company's total issued and paid-up share capital, has a direct interest representing 14.81% to the total issued and paid-up share capital of CAH and is one of the Vendors. As such, he is an interested person of the Company as defined under Chapter 9 of the Catalist Rules and the Proposed Acquisition, insofar as it relates to Dr. Cheng, is an interested person transaction ("**IPT**").

LETTER TO SHAREHOLDERS

(b) Requirement for Shareholders' Approval

The value of the IPT is approximately S\$4.84 million (consisting of the 22,059,989 Consideration Shares to be issued to Dr. Cheng and the S\$755,758.88 in Cash Consideration payable to Dr. Cheng), being the consideration payable by the Company for Dr. Cheng's shares in CAH, and represents approximately 40.0% of the Group's latest audited NTA of approximately S\$12.08 million as at 30 September 2020. Accordingly, the Proposed Acquisition will require the approval of Shareholders pursuant to Rule 906(1)(a) of the Catalist Rules, to be obtained by the Company at the EGM.

(c) Total Value of Interested Person Transactions

Save for the Proposed Transaction and excluding transactions which were less than S\$100,000, during the course of the current financial year ending 30 September 2021 ("FY2021"), which is from 1 October 2020 up to the Latest Practicable Date:

- (i) there are no other interested person transactions entered into by the Group with Dr. Cheng and his associates; and
- (ii) there are no other interested person transactions entered into by the Group and other interested persons.

3.3 Opinion of the Independent Financial Adviser

Evolve Capital Advisory Private Limited has been appointed as the IFA to provide an opinion as to whether the Proposed Acquisition is on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The IFA Letter is reproduced in full in **Appendix A** to this Circular. **Shareholders are advised to read the IFA Letter in its entirety carefully and consider it in the context of this Circular before deciding on whether to approve the Proposed Acquisition.**

The IFA's opinion can be found in Section 5 of the IFA Letter and a summary of the IFA's opinion has been extracted from the IFA Letter and are set out in italics below. Unless otherwise defined or the context otherwise requires, all terms defined in the IFA Letter shall have the meanings therein.

"In arriving at our recommendation in respect of the Proposed Acquisition, we have taken into consideration, inter alia, the following factors summarised below as well as further elaborated within the IFA Letter. The following should be read in conjunction with, and in the context of, the full text of this IFA Letter.

- (i) *Rationale for the Proposed Acquisition, which as a 100% shareholder in CAH, aligns with the Group's strategy and intention to accelerate expansion through acquisitions to strengthen its market position, leveraging greater economies of scale and complementing its range of services;*
- (ii) *Valuation statistics compared to the Initial Acquisition, where we note the price-to-earnings ratios for Proposed Acquisition are lower than the ratios for the Initial Acquisition;*
- (iii) *Financial assessment of the Consideration to Comparable Companies listed on SGX-ST and to Precedent Transaction in the healthcare industry:*
 - a. *the EV/EBITDA ratio (proforma basis) of the Proposed Acquisition is below the range of the EV/EBITDA of the Precedent Transactions;*
 - b. *the P/E ratio (proforma basis) of the Proposed Acquisition is within the range of the P/E ratios for Precedent Transactions;*

LETTER TO SHAREHOLDERS

- c. *the EV/EBITDA ratio (proforma basis) of the Proposed Acquisition is within the range of the EV/EBITDA ratios for Comparable Companies;*
 - d. *the P/E ratio (proforma basis) of the Proposed Acquisition is below the range of the P/E ratios for Comparable Companies; and*
- (iv) *Financial effects of the Proposed Acquisition, which we note is EPS accretive and will increase from 0.66 cents to 0.87 cents after the Proposed Acquisition.*

Having regards to the considerations as set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Acquisition, as an Interested Person Transaction, is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.”

3.4 Opinion of the ARMC

The Audit and Risk Management Committee (“**ARMC**”), having reviewed, among other things, the terms and rationale for the Proposed Acquisition, and after considering the advice of the IFA as set out in **Appendix A** to this Circular, concurs with the IFA and is of the opinion that the Proposed Acquisition is on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

4. SHAREHOLDERS’ APPROVAL FOR THE PROPOSED ALLOTMENT

4.1 Rule 805(1) of the Catalist Rules

Section 161 of the Companies Act and Rule 805(1) of the Catalist Rules provide, among others, that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer unless the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer is made pursuant to a general mandate previously obtained from shareholders of the issuer at a general meeting as provided in Rule 806 of the Catalist Rules.

The Proposed Allotment will be made pursuant to a specific mandate and the Company is seeking specific Shareholder’s approval for the Proposed Allotment in accordance with Rule 805(1) of the Catalist Rules.

4.2 Rule 804 and Rule 812 of the Catalist Rules

Rule 804 of the Catalist Rules further provides, among others, that except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Catalist Rules, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment. Such directors and associates must abstain from exercising any voting rights on the matter.

In addition, Rule 812(1) and Rule 812(2) of the Catalist Rules provide that an issue of shares must not be placed to an issuer’s directors and substantial shareholders and their immediate family members unless specific shareholders’ approval has been obtained for such placement, and the person, and its associates, must abstain from voting on the resolution approving the placement.

As 22,059,989 Consideration Shares will be allotted and issued to Dr. Cheng, a Director and Substantial Shareholder of the Company, Shareholders’ approval is required for the allotment of and issue of 22,059,989 Consideration Shares to Dr. Cheng pursuant to Rule 804 of Rule 812 of the Catalist Rules.

LETTER TO SHAREHOLDERS

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

5.1 Directors' Interests

The interests of the Directors in the Shares, as recorded in the Register of Directors' Shareholdings of the Company, as at the Latest Practicable Date are set out below:

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Dr. Chin Pak Lin ⁽²⁾	–	–	243,100,000	51.33	243,100,000	51.33
Dr. Yue Wai Mun ⁽²⁾	–	–	243,100,000	51.33	243,100,000	51.33
Dr. Cheng	27,360,838	5.78	–	–	27,360,838	5.78

Notes:

⁽¹⁾ Based on 473,633,025 Shares in issue as at the Latest Practicable Date.

⁽²⁾ The shareholders of AHS Investments Holdings Pte. Ltd. ("**AHSIH**") are Dr. Chin Pak Lin, Dr. Yue Wai Mun, Dr. Su Hsien Ching David and Dr. Tan Chyn Hong in equal proportions. Accordingly, each of Dr. Chin Pak Lin, Dr. Yue Wai Mun, Dr. Su Hsien Ching David and Dr. Tan Chyn Hong is deemed interested in the Shares that AHSIH is interested in by virtue of Section 4 of the SFA.

Post Completion and after the allocation of the Reserved Consideration Shares, the interests of the Directors in the Shares will be as follows, assuming that there are no changes in their shareholding arising from any acquisitions or disposals between the Latest Practicable Date and the Completion Date:

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Dr. Chin Pak Lin ⁽²⁾	–	–	243,100,000	44.47	243,100,000	44.47
Dr. Yue Wai Mun ⁽²⁾	–	–	243,100,000	44.47	243,100,000	44.47
Dr. Cheng	49,310,528	9.02	–	–	49,310,528	9.02

Notes:

⁽¹⁾ Based on the Enlarged Share Capital of 546,605,998 Shares.

⁽²⁾ The shareholders of AHSIH are Dr. Chin Pak Lin, Dr. Yue Wai Mun, Dr. Su Hsien Ching David and Dr. Tan Chyn Hong in equal proportions. Accordingly, each of Dr. Chin Pak Lin, Dr. Yue Wai Mun, Dr. Su Hsien Ching David and Dr. Tan Chyn Hong is deemed interested in the Shares that AHSIH is interested in by virtue of Section 4 of the SFA.

LETTER TO SHAREHOLDERS

5.2 Substantial Shareholders' Interests

The interests of the Substantial Shareholders in the Shares, as recorded from the Register of Substantial Shareholders of the Company, as at the Latest Practicable Date are set out below:

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
AHS Investments Holdings Pte. Ltd. ⁽²⁾	235,807,000	49.79	7,293,000	1.54	243,100,000	51.33
Dr. Chin Pak Lin ⁽³⁾	–	–	243,100,000	51.33	243,100,000	51.33
Dr. Yue Wai Mun ⁽³⁾	–	–	243,100,000	51.33	243,100,000	51.33
Dr. Su Hsien Ching David ⁽³⁾	–	–	243,100,000	51.33	243,100,000	51.33
Dr. Tan Chyn Hong ⁽³⁾	–	–	243,100,000	51.33	243,100,000	51.33
Dr. Lim Tet Chen Roy	35,922,857	7.58	–	–	35,922,857	7.58
Dr. Cheng	27,360,838	5.78	–	–	27,360,838	5.78
Temasek Holdings (Private) Limited ⁽⁴⁾	–	–	24,968,788	5.27	24,968,788	5.27
Fullerton Fund Investments Pte. Ltd. ⁽⁴⁾	–	–	24,968,788	5.27	24,968,788	5.27
Seletar Fund Investments Pte. Ltd. ⁽⁴⁾	–	–	24,968,788	5.27	24,968,788	5.27
Heliconia Capital Management Pte. Ltd. ⁽⁵⁾	–	–	24,968,788	5.27	24,968,788	5.27
Heliconia Holdings Pte. Ltd. ⁽⁵⁾	–	–	24,968,788	5.27	24,968,788	5.27

Notes:

- ⁽¹⁾ Based on 473,633,025 Shares in issue as at the Latest Practicable Date.
- ⁽²⁾ Pursuant to a consultancy agreement between AHSIH and Dr. Lim Cheok Peng (“**Dr Lim**”) in consideration for the provision of advisory and consultancy services to AHSIH, 7,293,000 Shares were transferred by AHSIH to Dr. Lim. Dr. Lim has granted a right of first refusal to AHSIH in respect of the 7,293,000 Shares held by him and accordingly, AHSIH is deemed interested in the Shares held by Dr. Lim.
- ⁽³⁾ The shareholders of AHSIH are Dr. Chin Pak Lin, Dr. Yue Wai Mun, Dr. Su Hsien Ching David and Dr. Tan Chyn Hong in equal proportions. Accordingly, each of Dr. Chin Pak Lin, Dr. Yue Wai Mun, Dr. Su Hsien Ching David and Dr. Tan Chyn Hong is deemed interested in the Shares that AHSIH is interested in by virtue of Section 4 of the SFA.
- ⁽⁴⁾ Temasek Holdings (Private) Limited (“**Temasek**”), Fullerton Fund Investments Pte. Ltd. (“**FFI**”) and Seletar Fund Investments Pte. Ltd. (“**Seletar**”) do not have any direct interests in the voting Shares of the Company. Temasek, FFI and Seletar’s deemed interests in the Shares arise through Heliconia Capital Management Pte. Ltd. (“**Heliconia Capital**”), which is wholly owned by Heliconia Holdings Pte. Ltd. (“**Heliconia Holdings**”). Heliconia Capital and Heliconia Holdings are independently-managed Temasek portfolio companies. Temasek, FFI and Seletar are not involved in their business or operating decisions, including those regarding their positions in Shares. Temasek, FFI and Seletar are deemed interested in Shares through Heliconia Capital and Heliconia Holdings as follows:
- (i) Vanda 1 Investments Pte. Ltd. (“**Vanda 1**”) holds 1.32% of Shares.
- (ii) Encyclia 1 Investments Pte. Ltd. (“**Encyclia 1**”) holds 3.95% of Shares.

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- (iii) Heliconia Capital has an interest in 5.27% of Shares held in aggregate by Vanda 1 and Encyclia 1 pursuant to Section 4 of SFA by virtue of its authority to dispose of, or exercise control over the disposal of the Shares held by Vanda 1 and Encyclia 1.
- (iv) Heliconia Capital is a wholly owned subsidiary of Heliconia Holdings.
- (v) Heliconia Holdings is a wholly owned subsidiary of Seletar.
- (5) Heliconia Holdings is the immediate holding company of Heliconia Capital. Each of Heliconia Holdings and Heliconia Capital is deemed interested in the aggregate of 24,968,788 Shares held by Vanda 1 and Encyclia 1 under Section 4 of the SFA.

Post Completion and after the allocation of the Reserved Consideration Shares, the interests of the Substantial Shareholders in the Shares will be as follows, assuming that there are no changes in their shareholding arising from any acquisitions or disposals between the Latest Practicable Date and the Completion Date:

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
AHS Investments Holdings Pte. Ltd. ⁽²⁾	235,807,000	43.14	7,293,000	1.33	243,100,000	44.47
Dr. Chin Pak Lin ⁽³⁾	–	–	243,100,000	44.47	243,100,000	44.47
Dr. Yue Wai Mun ⁽³⁾	–	–	243,100,000	44.47	243,100,000	44.47
Dr. Su Hsien Ching David ⁽³⁾	–	–	243,100,000	44.47	243,100,000	44.47
Dr. Tan Chyn Hong ⁽³⁾	–	–	243,100,000	44.47	243,100,000	44.47
Dr. Lim Tet Chen Roy	35,922,857	6.57	–	–	35,922,857	6.57
Dr. Cheng Ching Li	49,310,528	9.02	–	–	49,310,528	9.02
Dr. Ho Siew Hong	41,267,103	7.55	–	–	41,267,103	7.55
Dr. Khoo Shih Wee @ Lawrence Khoo	31,798,975	5.82	–	–	31,798,975	5.82
Dr. Ng Tay Meng	27,386,455	5.01	–	–	27,386,455	5.01

Notes:

- ⁽¹⁾ Based on the Enlarged Share Capital of 546,605,998 Shares.
- ⁽²⁾ Pursuant to a consultancy agreement between AHSIH and Dr. Lim in consideration for the provision of advisory and consultancy services to AHSIH, 7,293,000 Shares were transferred by AHSIH to Dr. Lim. Dr. Lim has granted a right of first refusal to AHSIH in respect of the 7,293,000 Shares held by him and accordingly, AHSIH is deemed interested in the Shares held by Dr. Lim.
- ⁽³⁾ The shareholders of AHSIH are Dr. Chin Pak Lin, Dr. Yue Wai Mun, Dr. Su Hsien Ching David and Dr. Tan Chyn Hong in equal proportions. Accordingly, each of Dr. Chin Pak Lin, Dr. Yue Wai Mun, Dr. Su Hsien Ching David and Dr. Tan Chyn Hong is deemed interested in the Shares that AHSIH is interested in by virtue of Section 4 of the SFA.

5.3 Interests of Directors and Substantial Shareholders

Save as disclosed in this Circular, none of the Directors, or as far as the Company is aware, the Substantial Shareholders, have any interest, direct or indirect, in the Proposed Transaction other than through their respective directorships and shareholdings in the Company.

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6. DIRECTORS' RECOMMENDATIONS

Shareholders should read and consider carefully the recommendation of the Independent Directors and the opinion of the IFA in its entirety before giving their approvals pertaining to the Proposed Transaction. Shareholders are also urged to read carefully the terms and conditions of the Proposed Transaction, the rationale for the Proposed Transaction and the financial effects of the Proposed Transaction, as set out in this Circular.

Dr. Cheng, being an interested person under Chapter 9 of the Catalist Rules for the purposes of the Proposed Acquisition and a restricted person under Chapter 8 of the Catalist Rules for the Proposed Allotment, will abstain from making any recommendation to Shareholders on the Proposed Transaction in his capacity as Director.

The Independent Directors, having considered and reviewed, among other things, the terms of the Proposed Transaction, the opinion of the IFA contained in the IFA Letter, the rationale for the Proposed Transaction, and all the other relevant information set out in this Circular, concur with the opinion of the IFA given in the IFA Letter. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolutions in relation to the Proposed Transaction at the EGM.

Please refer to Section 3.3 of this Circular and the IFA Letter reproduced in **Appendix A** to this Circular for the opinion of the IFA.

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held by way of electronic means on **21 July 2021 at 10:00 a.m.** for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the notice of EGM on pages N-1 to N-4 of this Circular.

COVID-19 Measures

The COVID-19 Order was issued on 13 April 2020 pursuant to the COVID-19 Act and was gazetted to take effect from 27 March 2020. The COVID-19 Order prescribes alternative arrangements for the conduct of general meetings of companies and compliance with these alternative arrangements will be deemed to be compliant with the relevant provisions of written law or legal instrument in respect of which the alternative arrangements are made. Such alternative arrangements include the conduct of a general meeting of a company wholly or partly by electronic means provided that a listed company must publish the minutes of the meeting on SGXNET and the company's website (if available) within one month after the date of the relevant meeting.

On the same day, ACRA, the Monetary Authority of Singapore and Singapore Exchange Regulation issued the COVID-19 Order Guidance comprising a checklist to guide listed and non-listed entities on the conduct of general meetings during the period when elevated safe distancing measures are in place. The COVID-19 Order Guidance provides further guidance on Part 4 of the COVID-19 Act and the COVID-19 Order, and states that listed entities should refer to the COVID-19 Order Guidance when conducting general meetings during this elevated safe distancing period.

At the forthcoming EGM, the Company will comply with the COVID-19 precautionary measures recommended or imposed by the Singapore Government to minimise the risk of community spread of COVID-19 as may be appropriate, including the Infectious Diseases Regulations and COVID-19 Order, on the holding of general meetings amid COVID-19. Please refer to Section 8 of this Circular for more details on the action Shareholders should take pursuant to the COVID-19 Act and any regulations promulgated thereunder, including without limitation, the COVID-19 Order, as well as the COVID-19 Order Guidance.

Shareholders should note that the Company may make further changes to its EGM arrangements as the COVID-19 situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company as may be made from time to time on SGXNET.

LETTER TO SHAREHOLDERS

8. ACTION TO BE TAKEN BY SHAREHOLDERS

8.1 Shareholders should note and consider taking the following actions:

(a) No attendance at EGM

In view of the elevated safe distancing measures pursuant to the Infectious Diseases Regulations and COVID-19 Regulations, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (i) watching the EGM proceedings via “live” webcast or listening to the EGM proceedings via “live” audio feed, (ii) submitting questions in advance of the EGM, and/or (iii) voting by appointing the Chairman of the EGM as proxy. Please see the paragraphs below for these alternative arrangements.

(b) Registration to attend the EGM Remotely

The proceedings of the EGM will be conducted by electronic means. Shareholders will be able to watch the proceedings of the EGM through a “live” webcast via their mobile phones, tablets or computers or listen to these proceedings through a “live” audio feed via telephone. In order to do so, Shareholders must follow these steps:

- (i) Shareholders who wish to watch the “live” webcast or listen to the “live” audio feed must pre-register by **10:00 a.m. on 18 July 2021** (“**Registration Cut-Off Date**”) (being **72 hours** before the time fixed for the EGM), at the URL <https://investor.asianhealthcare.com.sg/egm.html>. Shareholders will be required to provide their full name, NRIC/Passport No./Company Registration No. and address for verification purposes.

Upon successful registration, authenticated Shareholders will receive an email confirmation by **19 July 2021** with their user log-in details, access password and the link to access the “live” webcast and/or telephone number for “live” audio feed of the EGM proceedings.

- (ii) Shareholders who do not receive any email by **11:00 a.m. on 19 July 2021**, but who have registered by the Registration Cut-Off Date, should contact the Company’s Share Registrar at the following email address: srs.teamc@boardroomlimited.com

(c) Prior submission of questions

Shareholders who pre-register to watch the “live” webcast or listen to the “live” audio feed may also submit questions related to the resolutions to be tabled for approval for the EGM:

- (i) All questions must be submitted by **10:00 a.m. on 18 July 2021** (being **72 hours** before the time fixed for the EGM):
- via the pre-registration website at the URL <https://investor.asianhealthcare.com.sg/egm.html>;
 - in hard copy by submitting personally or by post and lodging the same at the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - by submitting electronically via email to the Company’s Share Registrar at srs.teamc@boardroomlimited.com.

The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM as received from Shareholders before the EGM on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at the URL <https://investor.asianhealthcare.com.sg/egm.html>.

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- (ii) The Company will, within one month after the date of the EGM, publish the minutes of the EGM on SGXNET and the Company's website, and the minutes will include the responses to the questions referred to above.
- (iii) Please note that Shareholders will not be able to ask questions at the EGM "live" during the webcast and the audio feed, and therefore it is important for Shareholders to pre-register their participation in order to be able to submit their questions in advance of the EGM.

(d) Voting by proxy only

Pursuant to the COVID-19 Order, Shareholders will not be able to vote online on the resolutions to be tabled for approval at the EGM.

Instead, if Shareholders (whether individual or corporate) wish to exercise their voting rights at the EGM, they must each submit an instrument of proxy to appoint the Chairman of the EGM as their proxy to attend, speak and vote on their respective behalf at the EGM:

- (i) Shareholders (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the instrument of proxy, failing which the appointment will be treated as invalid.
- (ii) The instrument of proxy, together with the letter or power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:
 - if submitted personally or by post, be lodged at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - if submitted electronically, be submitted via email to the Company's Share Registrar at srs.teamc@boardroomlimited.com.

in either case, by **10:00 a.m. on 18 July 2021** (being **72 hours** before the time fixed for the EGM), and in default the instrument of proxy shall not be treated as valid.

A Shareholder who wishes to submit the instrument of proxy must first download, complete and sign the instrument of proxy, before submitting it by post to the address provided above, or before scanning and submitting it by email to the email address provided above.

In view of the current COVID-19 situation in Singapore, Shareholders are strongly encouraged to submit the completed instrument of proxy electronically via email.

- Persons who hold their shares through relevant intermediaries as defined in Section 181 of the Companies Act (including SRS investors) and who wish to participate in the EGM by (a) observing and/or listening to the EGM proceedings via the "live" webcast or the "live" audio feed in the manner provided in paragraph 8(a) above; (b) submitting questions in advance of the EGM in the manner provided in paragraph 8(c) above; and/or (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM, should contact the relevant intermediary (which would include, in the case of SRS investors, their respective SRS Operators) through which they hold such shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the EGM.
- SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective SRS Operators to submit their votes by **10:00 a.m. on 9 July 2021** in order to allow sufficient time for their relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf not less than **72 hours** before the time for holding the EGM.

LETTER TO SHAREHOLDERS

- 8.2 Depositor not member.** A Depositor will not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register as certified by CDP to the Company at least **72 hours** before the EGM.

9. ABSTENTION FROM VOTING

Pursuant to Rule 919 of the Catalist Rules, an interested person and any associate of the interested person must abstain from voting on the resolution approving the interested person transactions involving themselves and their associates.

Rule 804 of the Catalist Rules provides that a director and his associates must abstain from voting on any shareholders' resolutions approving the specific allotment to such director or his associates.

In addition, Rule 812(2) of the Catalist Rules provides that persons falling under Rule 812(1) of the Catalist Rules and their associates must abstain from voting on any shareholders' resolutions approving the placement to themselves.

Accordingly, Dr. Cheng will abstain, and will ensure that his associates will abstain, from voting on the Proposed Transaction.

10. DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transaction, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

11. CONSENT

Evolve Capital Advisory Private Limited, the IFA in respect of the Proposed Acquisition, has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and the IFA Letter as set out in **Appendix A** to this Circular and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

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12. INSPECTION OF DOCUMENTS

Subject to prevailing Covid-19 Order restrictions, the following documents are available for inspection, by prior appointment through contacting the Company at travis.seet@toc.com.sg or +65 6581 7388, at the registered office of the Company at 38 Irrawaddy Road #09-42 Singapore 329563 during normal business hours for three (3) months from the date of this Circular:

- (a) the SPA;
- (b) the Constitution of the Company;
- (c) the annual report of the Company for FY2020;
- (d) the consent letter referred to in Section 11 of this Circular; and
- (e) the IFA Letter.

Yours faithfully

For and on behalf of the Board of Directors of
ASIAN HEALTHCARE SPECIALISTS LIMITED

Dr. Chin Pak Lin
Executive Director and Chief Executive Officer

APPENDIX A – IFA LETTER

LETTER FROM EVOLVE CAPITAL ADVISORY PRIVATE LIMITED TO THE INDEPENDENT DIRECTORS OF ASIAN HEALTHCARE SPECIALISTS LIMITED

6 July 2021
The Independent Directors
Asian Healthcare Specialists Limited
38 Irrawaddy Road #09-42
Singapore 329563

Dear Sirs,

PROPOSED ACQUISITION BY ASIAN HEALTHCARE SPECIALISTS LIMITED OF THE REMAINING 49.0% EQUITY STAKE IN ITS SUBSIDIARY, CORNERSTONE ASIA HEALTH PTE. LTD.

Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter which are not defined shall have the same meaning ascribed to them in the circular to shareholders of the Company dated 6 July 2021 (the “Circular”).

1. INTRODUCTION

On 9 April 2021, Asian Healthcare Specialists Limited (“AHS” or the “Company”, and together with its subsidiaries, the “Group”) announced that AHS had entered into a term sheet (“Term Sheet”) and subsequently a sale and purchase agreement (“SPA”) on 30 June 2021 with the remaining shareholders (“Vendors”) of its 51.0% owned subsidiary, Cornerstone Asia Health Pte. Ltd. (“CAH”), to acquire the remaining 49.0% of the issued and paid-up shares in CAH (“Proposed Acquisition”).

The consideration of approximately S\$16.0 million (“Consideration”) will be satisfied as follows:

- (i) S\$2,500,000 in cash (“Cash Consideration”) to the Vendors on the completion date under the SPA (“Completion Date”) which will be funded by the proceeds of the placement of 17,700,000 ordinary shares in the share capital of the Company (“Shares”) in April 2021; and
- (ii) S\$13,500,000 by the issue and allotment of 72,972,973 new Shares to the Vendors credited as fully paid up at the issue price of S\$0.185 (“Consideration Shares”) on the Completion Date.

The Vendors are Dr. Ng Tay Meng, Dr. Seah Sheng Heang Geoffry, Dr. Khoo Shih Wee @ Lawrence Khoo, Dr. Ho Siew Hong and Dr. Cheng Ching Li. (“Dr. Cheng”). Dr Cheng is a Director and a Substantial Shareholder of AHS. He is therefore regarded as an “interested person” and the Proposed Acquisition, insofar as Dr. Cheng is concerned, is an interested person transaction (“IPT”) under Chapter 9 of the Singapore Exchange Securities Trading Limited (the “SGX”) Listing Manual Section B: Rules of Catalyst (“Catalist Rules”).

Pursuant to Catalyst Rule 906, the Proposed Acquisition is an interested person transaction subject to the approval of the Company’s shareholders who are considered independent for the purpose of the Proposed Acquisition (the “Independent Shareholders”).

Pursuant to Catalyst Rule 921(4)(a), the Company has to obtain an opinion from an independent financial adviser (“IFA”) stating whether the Proposed Acquisition is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

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2. TERMS OF REFERENCE

Evolve Capital Advisory Private Limited (“**ECA**”) has been appointed by the Company to act as the IFA to advise the Independent Directors for the purposes of making a recommendation to the Shareholders in respect of the Proposed Acquisition. This letter (“**IFA Letter**”) sets out our opinion arising from our evaluation of the Proposed Acquisition as to whether (i) the Proposed Acquisition is carried out on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders and (ii) whether the financial terms of the Proposed Acquisition are fair and reasonable. Our opinion is for the use and benefit of the Independent Directors and the recommendations made by them to the Minority Shareholders are the responsibility of the Independent Directors. This letter forms part of the Circular and we recommend that the Independent Directors advise the Minority Shareholders to read the Circular carefully and in its entirety.

Unless otherwise defined in this letter or where the context otherwise requires, all terms defined in the Circular shall have the same meaning when used in this letter.

For the purposes of our evaluation of the Proposed Acquisition from a financial point of view, we have:

- (i) Reviewed certain publicly available financial statements and other publicly available business and financial information relating to AHS and CAH, as well as certain public information provided, and statements made, to us by the Independent Directors, management, and other authorised representatives of AHS;
- (ii) Participated in discussions with representatives of AHS with respect to the Proposed Acquisition;
- (iii) Compared the reported prices, trading multiples and trading activity with those of certain other comparable publicly traded companies and their securities we deemed relevant;
- (iv) Compared the proposed financial terms of the Proposed Acquisition with the publicly available financial terms of certain transactions involving companies we deemed relevant, and the consideration received for such companies;
- (v) Reviewed and relied on certain internal financial analyses prepared by representatives of AHS with respect to the Proposed Acquisition;
- (vi) Reviewed the Circular; and
- (vii) Performed such other financial analyses, reviewed such other information and considered such other matters as we deemed appropriate.

We do not make any representation, evaluate and/or comment on the strategic or commercial merits of the Proposed Acquisition or on the prospects of AHS upon Completion or rejection of the Proposed Acquisition. We do not address the relative merits of the Proposed Acquisition as compared to any other alternative transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This opinion is necessarily based on financial, political, economic, market, industry, monetary, regulatory and other conditions in effect on, and the information made available to us, as at the Latest Practicable Date. Such conditions may change significantly over a short period of time. Accordingly, we do not express any opinion or view on the future prospects, financial performance and/or financial position of AHS, or on the price at which the AHS Shares traded on the SGX may trade upon Completion or rejection of the Proposed Acquisition. Our evaluation of the Proposed Acquisition, from a financial standpoint, does not and cannot take into account the future trading activities or patterns or price levels that may be established beyond the Latest Practicable Date. Shareholders should take note of any announcement and/or documents relevant to their consideration of the proposed Acquisition which may be released by AHS after the Latest Practicable Date.

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We have relied upon the assurance of the Directors that the Directors collectively and individually accept full responsibility for the accuracy of the information given in the Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading. Where information in the Circular 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 the Circular in its proper form and context. In relation to this IFA Letter, the Directors have confirmed that the facts stated, with respect to the Group and the Proposed Acquisition are to the best of their knowledge and belief, fair and accurate in all material aspects. We do not accept or assume any responsibility for the accuracy, completeness or adequacy of such information. We have not conducted any independent valuation or appraisal of any assets or liabilities of AHS, CAH, their subsidiaries, their associated companies, parties acting in concert with them or any other relevant party to the Proposed Acquisition. We do not accept any responsibility for the accuracy of information provided in the Circular (other than this IFA Letter or any references to or extracts from this IFA Letter in the Circular), nor the truth of or completeness of the information of all material facts about the Proposed Acquisition, AHS, CAH, and their subsidiaries and associated companies, in the Circular (including any fact the omission of which would make any statement in the Circular misleading) (other than this IFA Letter or any references to or extracts from this IFA Letter in the Circular). Nevertheless, we have made reasonable enquiries and used our judgment as we deemed necessary or appropriate in assessing the reasonable use of such information and are not aware of any reason to doubt the accuracy or reliability of the information.

In rendering our opinion, we did not consider the specific investment objectives, financial situation, tax consequences, risk profile or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholder who may require specific advice in relation to his or their investment objectives or portfolios should consult his or their legal financial, tax or other professional advisors immediately.

The Company has been separately advised by its own advisors in the preparation of the Circular (other than this IFA Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this IFA Letter).

This IFA Letter is provided to the Independent Directors for their benefit in connection with and for the purposes of their consideration of the Proposed Acquisition, for inclusion in the Circular and for the Independent Directors' recommendation to Shareholders as to whether to exercise the voting rights in their shares in favour of or against the Proposed Acquisition. The recommendations made by the Independent Directors to the Minority Shareholders remain the responsibility of the Independent Directors.

Our opinion in relation to the Proposed Acquisition should be considered in the context of the entirety of this IFA Letter.

3. THE PROPOSED ACQUISITION

Information on the Proposed Acquisition is set out in Section 2 of the Circular. Shareholders are advised to read the information carefully. We set out a summary of the information as follows:

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3.1 Information on CAH and the Vendors

CAH is a company incorporated in Singapore on 28 June 2017. The principal activities of CAH and its subsidiaries (“**CAH Group**”) lie in the provision of multidisciplinary healthcare services across different specialisations, offering key services in ophthalmology, urology, dermatology and gastroenterology as well as family medicine. The CAH Group’s operations in the five medical disciplines comprise eight specialists and family medicine clinics that are founded by doctors who each have over 20 years of experience in their respective fields.

As at the Latest Practicable Date, CAH has an issued and paid-up capital of S\$35,825,848.19 comprising 68,357,917 issued and fully paid-up ordinary shares. The entire issued shares of CAH are held by the Company and the Vendors, with the Company holding 51.0% and the Vendors holding the remaining 49.0%, following the Company’s acquisition of the 51.0% equity stake pursuant to a sale and purchase agreement dated 4 December 2019 (“**Initial Acquisition**”).

Among the Vendors are five of the specialists and medical doctors referred to above namely, Dr. Ng Tay Meng, Dr. Khoo Shih Wee @ Lawrence Khoo, Dr. Ho Siew Hong, Dr. Cheng and Dr. Seah Sheng Heang Geoffry. As at the Latest Practicable Date, the issued and fully paid-up ordinary shares in CAH held by the Company and the Vendors are in the following proportion:

Shareholders of CAH	Number of ordinary shares held in CAH	Percentage of shares to total issued capital (%)
Asian Healthcare Specialists Limited	34,862,538	51.00
Dr. Ng Tay Meng	5,623,728	8.23
Dr. Seah Sheng Heang Geoffry	2,825,011	4.13
Dr. Khoo Shih Wee @ Lawrence Khoo	6,529,826	9.55
Dr. Ho Siew Hong	8,391,042	12.28
Dr. Cheng Ching Li	10,125,772	14.81
Total	68,357,917	100.00

3.2 Certain Financial Information of CAH Group

Based on CAH Group’s unaudited consolidated financial statements for the 6 months ended 31 March 2021, CAH Group’s net profit after tax was S\$2,964,000, and its net book value and net tangible assets was S\$1,749,000, as at 31 March 2021. Based on CAH Group’s unaudited consolidated financial statements for the financial year ended 30 September 2020, CAH Group’s net profit after tax was S\$4,772,000.

CAH Group’s pro forma unaudited consolidated net profit after tax for the 6 months ended 31 March 2021, after adjustments for, *inter alia*, the Employment Agreements, is S\$2,120,000. CAH Group’s pro forma unaudited consolidated net book value and net tangible assets as at 31 March 2021 was S\$905,000. CAH Group’s pro forma unaudited consolidated net profit after tax for the financial year ended 30 September 2020, after adjustments for, *inter alia*, the Employment Agreements, is S\$3,711,000.

We note no independent valuation was conducted on CAH Group. CAH’s operating subsidiaries operate as asset light entities with few tangible assets. Accordingly, the Company had not commissioned an independent property valuation.

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3.3 Consideration

The salient terms of the Consideration for the Proposed Transaction, which has been set out in section 2.4 of the Circular is extracted and reproduced in italics below:

“The consideration for the Proposed Acquisition is S\$16,000,000 (“Consideration”), which was arrived at on a willing buyer and willing seller basis after arm’s length negotiations between the Company and the Vendors, after taking into account, inter alia, valuation of similar acquisitions made by other comparable Singapore listed healthcare providers, the business prospects of the CAH Group and the track record of the specialists and medical doctors in the CAH Group, and the capabilities and synergies between the Company and CAH Group.

The Consideration will be satisfied by the Company as follows:

- (a) S\$2,500,000 in cash (“Cash Consideration”) to the Vendors on the completion date under the SPA (“Completion Date”) which will be funded by the proceeds of the placement of 17,700,000 ordinary shares in the share capital of the Company (“Shares”) in April 2021; and*
- (b) S\$13,500,000 by the issue and allotment of 72,972,973 new Shares to the Vendors credited as fully paid up at the issue price of S\$0.185 (“Consideration Shares”) on the Completion Date.*

Under the terms of the SPA, the Vendors have the right to designate the issuance of up to an aggregate of 364,864 Consideration Shares (out of the total 72,972,973 Consideration Shares) to business associates who have contributed to the success of the CAH Group (“Reserved Consideration Shares”), in proportion to their respective shareholding percentages in the issued share capital of CAH for the time being, provided that written notice is given to the Company no later than five (5) business days prior to Completion Date.”

3.4 Conditions Precedent under the SPA

Pursuant to the terms of the SPA, Completion is conditional on certain conditions precedent, which have been set out in section 2.5 of the Circular, and have been extracted and reproduced in italics below:

“Completion is subject to certain conditions precedent (the “Conditions Precedent”) being satisfied or waived in accordance with the SPA, including, inter alia, the following:

- (a) there not having been at any time hereafter and until Completion any material adverse change in relation to the affairs, operations, businesses, properties, financial condition (including liabilities, assets and results) and/or prospects of CAH Group;*
- (b) all the representations and warranties on the part of the Vendors under the SPA being true, accurate and not misleading as at the Completion Date;*
- (c) the approval of the Shareholders for the Proposed Transaction at the EGM; and*
- (d) the approval-in-principle of the SGX-ST for the listing of and quotation for the Consideration Shares on Catalist.”*

3.5 Completion under the SPA

Pursuant to the terms of the SPA, we note the Completion Date shall be the later of 30 July 2021 or the date falling one (1) business day after the last in time of the Conditions Precedent are satisfied or waived (as the case may be) in accordance with the SPA (or such other date as may be agreed in writing between the Vendors and the Company).

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4. EVALUATION OF THE PROPOSED ACQUISITION

In our evaluation of the Proposed Acquisition, we have given due consideration to, *inter alia*, the following key factors:

- (i) Rationale for the Proposed Acquisition;
- (ii) Valuation statistics for the Initial Acquisition;
- (iii) Valuation multiples of selected comparable companies listed on SGX-ST which are broadly comparable to the Company (the “**Comparable Companies**”);
- (iv) Valuation multiples implied in selected transactions in the healthcare industry (the “**Precedent Transactions**”); and
- (v) Financial effects of the Proposed Acquisition.

4.1 The Rationale for the Proposed Acquisition

The rationale for the Proposed Acquisition is set out in Section 2.3 of the Circular. We have summarised as follows:

- (i) The Board believes that the Proposed Acquisition is in the best interests of the Group and is in line with the Group’s business strategies and future plans outlined in the Offer Document of the Company dated 12 April 2018 to invest in management and healthcare professionals. We note the Group’s strategy and intention to accelerate expansion through acquisitions to strengthen its market position, leveraging greater economies of scale and complementing its range of services;
- (ii) As a 100% shareholder, the Proposed Acquisition will give the Company full control over CAH Group’s healthcare assets and the ability to align CAH Group’s objectives with the Company’s long-term strategic goals. The Proposed Acquisition is also expected to contribute to the Group’s healthcare competencies by expanding the Group’s existing multi-disciplinary practice and deepening the specialist capabilities of the Group, increase the Group’s operational efficiency, flexibility, and patient service quality, as well as enable the Group to provide more growth opportunities thereby enhancing the Group’s ability to nurture next generation talent; and
- (iii) The benefits from the Proposed Acquisition will support the Group’s vision to become a holistic and multi-disciplinary specialist healthcare provider, generate long-term shareholder value, and enhance the overall profile of the Group to bankers and investors.

4.2 Valuation statistics for the Initial Acquisition

As referenced in paragraph 3.1 of this IFA letter, the Company had acquired its current 51.0% shareholding equity in CAH Group pursuant to a sale and purchase agreement dated 4 December 2019. We compare the valuation statistics represented by the respective consideration for both the Initial Acquisition and the Proposed Acquisition based on the information available to us.

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	Initial Acquisition	The Proposed Acquisition
Consideration	S\$32,084,559	S\$16,000,000
Net Profit (unaudited consolidated)	S\$3,924,780 based on financial year ended 30 June 2019	S\$5,375,537 based on 12 months ended 31 March 2021
Pro Forma Net profit (unaudited consolidated)	S\$4,839,300 based on Net Profit adjusted for the Employment Agreements and other non-recurring items	S\$3,612,637 based on Net Profit adjusted for the Employment Agreements and other non-recurring items
Price-to-earnings ratio (based on Net Profit)	16.0x	6.1x
Price-to-earnings ratio (based on Pro Forma Net Profit)	13.0x	9.0x

As set out and indicated in the table above, we note the price-to-earnings ratios for Proposed Acquisition are lower than the ratios for the Initial Acquisition.

4.3 Valuation multiples of Comparable Companies

We have compared the valuation multiples of the Proposed Acquisition with those of selected companies listed on the SGX-ST which are similarly involved in the core business of providing healthcare services in Singapore and/or the region. We would highlight that the Comparable Companies listed below are not exhaustive and they differ from CAH in terms of inter alia market capitalisation, size of operations, composition of business activities, geographical spread, track record, financial performance, operating and financial leverage, risk profile, market liquidity, accounting policies, future prospects and other relevant criteria. As such, the comparison below is necessarily limited and serves only as an illustrative guide.

A brief description of the Comparable Companies is set out below.

Name	Exchange Country	Business Summary
Raffles Medical Group Ltd.	Singapore	Raffles Medical Group Ltd. is an integrated healthcare provider, operating medical facilities in approximately 13 cities in Singapore, China, Japan, Vietnam and Cambodia. The principal activities of the Company are the operation of medical clinics and other general medical services.
Q & M Dental Group (Singapore) Ltd.	Singapore	Q & M Dental Group (Singapore) Limited (Q & M) is a private dental healthcare company in Asia. The Company is engaged in the provision of management and consultancy services and investment holding. It operates a network of private dental outlets in Singapore and is focusing on expanding its operations in the People's Republic of China (China) and Malaysia.
Talkmed Group Ltd.	Singapore	TalkMed Group Limited is a Singapore-based investment holding company. The Company's principal activities are the provision of medical oncology services and stem cell transplant services.
ISEC Healthcare Ltd.	Singapore	ISEC Healthcare Ltd. (ISEC Healthcare) is a Singapore-based investment holding company. The Company is a medical eye care service provider, with surgical centers in Kuala Lumpur, Penang and Malacca, Malaysia.

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Name	Exchange Country	Business Summary
Singapore Medical Group Ltd.	Singapore	Singapore Medical Group Limited is engaged in the operation of medical clinics and provision of general medical services and investment holdings. The Company operates through three segments, the Health Business segment, Aesthetics Business segment and Others.
Healthway Medical Corporation Ltd.	Singapore	Healthway Medical Corporation Limited is a private healthcare provider. The Company's principal activities are those of an investment holding company and to carry on the business of healthcare management. It operates through two segments, which include Primary Healthcare, and Specialist and Wellness Healthcare.
Singapore O&G Ltd.	Singapore	Singapore O&G Ltd. is a Singapore-based investment holding company. The Company is engaged in the provision of specialized medical services. The Company's segments include Obstetrics and Gynaecology segment, Cancer-related segment and Dermatology segment.
HC Surgical Specialists Ltd.	Singapore	HC Surgical Specialists Limited and its subsidiaries are engaged in the medical services business. The Company is engaged in the provision of endoscopic procedures, including gastroscopies and colonoscopies, and general surgery services with a focus on colorectal procedures across a network of clinics located throughout Singapore.
Alliance Healthcare Group Ltd.	Singapore	Alliance Healthcare Group Ltd. is a Singapore-based company, which provides health care services. The Company, through its subsidiaries, designs and provides enterprise-level healthcare solutions. The Company has four segments: managed healthcare solutions, GP clinic services, specialist care services and pharmaceutical services.
Singapore Paincare Holdings Ltd.	Singapore	Singapore Paincare Holdings Limited is a Singapore-based company that provides medical services. The Company provides pain care services, primary care and other services. The Company focuses on the treatment of patients suffering from chronic pain.

Source: Bloomberg L.P. and the Comparable Companies's websites and filings

4.3.1 Valuation multiples

We have applied the following valuation multiples in our analysis:

Valuation multiples	General description
P/E	The "P/E" or " price-to-earnings " multiple illustrates the ratio of the market price of a company's share relative to its earnings per share. The P/E multiple is affected by, inter alia, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and amortisation.

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Valuation multiples	General description
EV/EBITDA	<p>“EV” or “enterprise value” is the sum of a company’s market capitalisation, preferred equity, minority interests, short and long term debt less its cash and cash equivalents.</p> <p>“EBITDA” stands for earnings before interest, tax, depreciation and amortisation expenses, inclusive of share of results of associated companies and/or joint ventures.</p> <p>The EV/EBITDA multiple illustrates the market value of a company’s business relative to its pre-tax operating cashflow performance, without regard to the company’s capital structure.</p>

In our analysis, we have focused on the P/E and EV/EBITDA multiples as these are earnings-based valuation approaches which, in our view, are more appropriate for valuation of companies in the healthcare sector.

4.3.2 Valuation multiples of Comparable Companies

The valuation multiples of the Comparable Companies set out below are based on their closing market prices as at the Latest Practicable Date.

Company Name	Market Capitalisation (S\$ millions)	Enterprise Value (“EV”) (S\$ millions)	LTM EV/ EBITDA ⁽¹⁾ (times)	LTM P/E ⁽²⁾ (times)
Raffles Medical Group Ltd.	2,203.7	2,220.9	17.7x	33.4x
Q & M Dental Group (Singapore) Ltd.	639.9	739.1	19.8x	32.5x
Talkmed Group Ltd.	541.2	461.6	14.1x	23.8x
ISEC Healthcare Ltd.	168.0	154.2	14.1x	36.2x
Singapore Medical Group Ltd.	149.7	141.0	6.9x	17.2x
Healthway Medical Corporation Ltd.	149.5	139.8	6.0x	46.2x
Singapore O&G Ltd.	128.9	96.7	7.5x	13.6x
<i>Asian Healthcare Specialists Ltd.</i>	83.8	80.6	8.8x	23.3x
HC Surgical Specialists Ltd.	74.9	75.4	10.3x	11.8x
Alliance Healthcare Group Ltd.	35.8	30.3	5.6x	22.2x
Singapore Paincare Holdings Ltd.	33.2	32.9	12.6x	15.9x
High			19.8x	46.2x
Low			5.6x	11.8x
Mean			11.2x	25.1x
Median			10.3x	23.3x
Proposed Acquisition			4.2x	6.1x
Proposed Acquisition (proforma metrics)	32.7⁽³⁾	28.2⁽³⁾	5.8x⁽⁴⁾	9.0x⁽⁴⁾

Source: Bloomberg L.P., Thomson Reuters, the Comparable Companies’s filings and ECA analysis

APPENDIX A – IFA LETTER

Notes:

- (1) The EV of the Comparable Companies are calculated based on (i) their market capitalisation; and (ii) their preferred equity, minority interests and net debt (if any), as set out in their respective latest available financial results as at the Latest Practicable Date. EBITDA is computed based on the financial statements as publicly reported over the most recent twelve months and adjusted for non-recurring items (if any).
- (2) LTM P/E multiple is computed using the consolidated earnings as publicly reported over the most recent twelve months and adjusted for non-recurring items (if any). No adjustment has been made for any difference and/or change in accounting standards of the Comparable Companies.
- (3) Based on the Consideration of S\$16.0mm, the implied value for the 100% equity value in CAH is S\$32.7 million.
- (4) Based on CAH Group's unaudited consolidated financial statements for the 12 months ended 31 March 2021 adjusted for the Employment Agreements and other non-recurring items.

We note the valuation multiples of the Proposed Acquisition should be viewed on a Pro Forma basis, adjusting for the Employment Agreements and other non-recurring items. Based on the foregoing, we observe that:

- (i) the EV/EBITDA ratio (*proforma basis*) of the Proposed Acquisition implied by the Consideration is within the range and below the mean and median of the EV/EBITDA of the Comparable Companies; and
- (ii) the P/E ratio (*proforma basis*) of the Proposed Acquisition implied by the Consideration is below the range and below the mean and median of the P/E of the Comparable Companies.

4.4 Valuation multiples implied in Precedent Transactions

We have compared the valuation multiples of the Proposed Acquisition with those of selected Precedent Transaction in the healthcare sector in Singapore over the past five year period where the acquirer acquired significant stakes and/or controlling interests and where information is publicly available. We note that the Precedent Transactions differ from the Proposed Acquisition in terms of inter alia the type of purchase consideration (cash, shares or a combination), the status of the acquirer and the target company (private or public), the characteristics of the target company, the structure of the respective transactions and other relevant criteria. As such, the comparison below is necessarily limited and serves only as an illustrative guide.

Announcement date	Acquirer	Target company	EV / EBITDA ⁽¹⁾ (times)	P/E ⁽¹⁾ (times)
5 Aug 2016	Singapore Medical Group Ltd.	Lifescan Imaging Pte. Ltd.	7.9x	12.3x
11 Oct 2016	Singapore Medical Group Ltd.	Astra Women Specialists Group	n.a.	13.0x
7 Feb 2017	Gentle Care Pte. Ltd.	Healthway Medical Corporation Limited	n.a.	n.a.
16 Feb 2017	OUE Limited	International Healthway Corporation Limited	37.7x	n.a.
20 Apr 2017	Singapore Medical Group Ltd.	Children's Clinic Central Pte. Ltd. and Kids Clinic @ Bishan Pte. Ltd.	n.a.	11.0x
19 Oct 2017	Singapore Medical Group Ltd.	Babies and Children Specialist Clinic Pte. Ltd.	n.a.	7.9x
28 Feb 2018	Clearbridge Health Limited	Medic Laser Private Limited and Medic Surgical Private Limited	n.a.	12.0x

APPENDIX A – IFA LETTER

Announcement date	Acquirer	Target company	EV / EBITDA ⁽¹⁾ (times)	P/E ⁽¹⁾ (times)
23 Apr 2018	Singapore Medical Group Limited	Pheniks Pte. Ltd.	n.a.	n.a.
28 Nov 2018	Asian Healthcare Specialists Limited	Asian Anaesthesia Care Pte. Ltd.	n.a.	13.1x
20 Feb 2019	CHA Healthcare Singapore Pte. Ltd.	Singapore Medical Group Limited	15.5x	22.5x
24 May 2019	Clearbridge Health Limited	Acquisition of 9 dental clinics in Singapore	n.a.	8.0x
26 Aug 2019	Aier Eye Hospital Group Co., Ltd.	ISEC Healthcare Ltd.	12.6x	25.7x
5 Jul 2019	Asian Healthcare Specialists Limited	Cornerstone Asia Health Pte. Ltd.	n.a.	13.0x
17 Nov 2020	Sian Chay Medical Institution	Singapore Paincare Holdings Ltd.	18.0x	20.9x
20 Nov 2020	Diaverum AB	Advance Renal Care (Asia) Pte. Ltd.	n.a.	n.a.
High			37.7x	25.7x
Low			7.9x	7.9x
Mean			18.3x	14.5x
Median			15.5x	13.0x
Proposed Acquisition			4.2x	6.1x
Proposed Acquisition (<i>proforma metrics</i>)			5.8x ⁽²⁾	9.0x ⁽²⁾

Source: Bloomberg L.P., Thomson Reuters, and publicly available filings

Notes:

“n.a.” – Not available

⁽¹⁾ The EV/EBITDA and P/E have been computed based on financial statements as publicly reported with the latest 12 months available information prior to the announcement and adjusted for non-recurring items (if any).

⁽²⁾ Based on CAH Group’s unaudited consolidated financial statements for the 12 months ended 31 March 2021 adjusted for the Employment Agreements and other non-recurring items.

We note the valuation multiples of the Proposed Acquisition should be viewed on a Pro Forma basis, adjusting for the Employment Agreements and other non-recurring items. Based on the foregoing, we observe that:

- (i) the EV/EBITDA ratio (*proforma basis*) of the Proposed Acquisition implied by the Consideration is below the range and below the mean and median of the EV/EBITDA of the selected Precedent Transactions; and
- (ii) the P/E ratio (*proforma basis*) of the Proposed Acquisition implied by the Consideration is within the range and below the mean and median of the P/E of the selected Precedent Transactions.

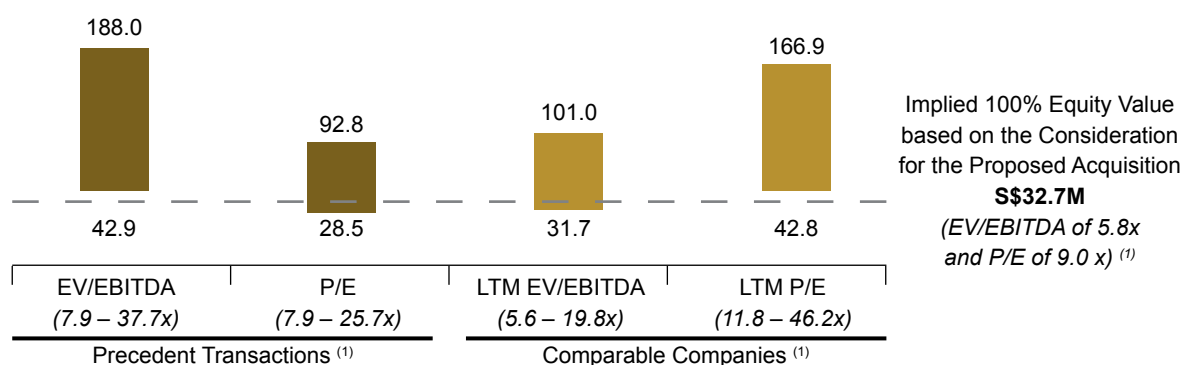
APPENDIX A – IFA LETTER

4.5 Summary Comparable Companies and Precedent Transactions analysis

Based on the Comparable Companies and Precedent Transactions valuation analysis in paragraph 4.3 and 4.4, we note the following for the implied 100% equity value for CAH based on the Consideration for the Proposed Acquisition:

- (i) the EV/EBITDA ratio (*proforma basis*) of the Proposed Acquisition is below the range of the EV/EBITDA of the Precedent Transactions;
- (ii) the P/E ratio (*proforma basis*) of the Proposed Acquisition is within the range of the P/E ratios for Precedent Transactions;
- (iii) the EV/EBITDA ratio (*proforma basis*) of the Proposed Acquisition is within the range of the EV/EBITDA ratios for Comparable Companies; and
- (iv) the P/E ratio (*proforma basis*) of the Proposed Acquisition is below the range of the P/E ratios for Comparable Companies.

Valuation Summary: Implied 100% Equity Value Ranges (S\$ millions)



Notes:

- ⁽¹⁾ Implied 100% equity value for CAH based on unaudited consolidated proforma (adjusted for Employment Agreements and other non-recurring income) net income and EBITDA of S\$3.6mm and S\$4.9mm respectively.

4.6 The financial effects of the Proposed Acquisition

The proforma financial effects of the Proposed Acquisition on the net tangible assets (“NTA”) per share and the earnings per share (“EPS”) of the Group are set out below. The proforma financial effects have been prepared based on (i) the audited financial results of the Group for the financial year ended 30 September 2020 and (ii) the unaudited pro forma financial results of CAH Group for the financial year ended 30 September 2020. The proforma financial effects are purely for illustration purposes only and are therefore not necessarily indicative of the actual financial position of the Group after Completion.

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4.6.1 NTA per Share

For illustrative purposes only, the proforma financial effects of the Proposed Acquisition on the Group's NTA per share, assuming that the Proposed Acquisition had been completed on 30 September 2020, being the end of the most recently completed financial year, are set out below:

NTA	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S\$'000)	12,083	10,294 ⁽¹⁾
Number of issued shares ('000)	455,933 ⁽³⁾	528,906 ⁽²⁾⁽³⁾
NTA per Share (cents)	2.65	1.95

Notes:

- (1) Based on 49.0% of the CAH Group's net tangible assets of S\$711,000 as at 30 September 2020.
- (2) Pursuant to the allotment and issuance of the Consideration Shares.
- (3) This excludes the effects of the Company's issuance of 17,700,000 ordinary shares pursuant to the placement exercise conducted by the Company on 26 April 2021, as such issuance was completed during FY2021.

4.6.2 EPS per Share

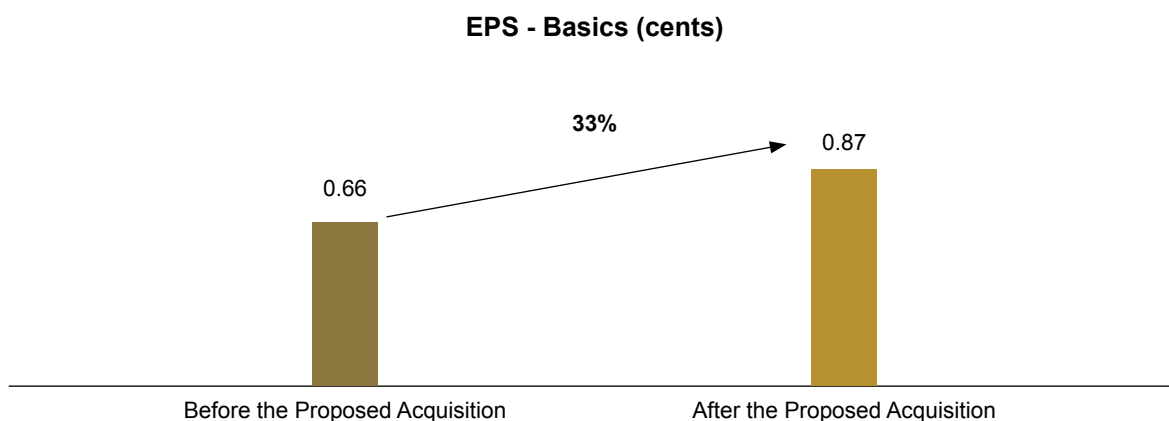
For illustrative purposes only, the proforma financial effects of the Proposed Acquisition on the consolidated earnings of the Group, assuming that the Proposed Acquisition had been completed on 1 October 2019, being the beginning of the most recently completed financial year, are set out below:

EPS	Before the Proposed Acquisition	After the Proposed Acquisition
Profits attributable to the owners of the Company (S\$'000)	2,585 ⁽¹⁾	4,067 ⁽¹⁾⁽²⁾
Weighted average number of issued shares ('000)	392,222 ⁽⁴⁾	465,195 ⁽³⁾⁽⁴⁾
EPS – Basic (cents)	0.66	0.87

Notes:

- (1) Based on the audited consolidated net profits after tax of the Group for the financial year ended 30 September 2020.
- (2) Based on 49.0% of the unaudited consolidated pro forma net profits after tax of CAH Group for the financial year ended 30 September 2020 and the audited consolidated net profits after tax of the Group for the financial year ended 30 September 2020, adjusted for the effects of the Employment Agreements.
- (3) Pursuant to the allotment and issuance of the Consideration Shares.
- (4) This excludes the effects of the Company's issuance of 17,700,000 ordinary shares pursuant to the placement exercise conducted by the Company on 26 April 2021, as such issuance was completed during FY2021.

APPENDIX A – IFA LETTER



Based on the above, we observe that:

- (i) the NTA per Share will decrease from 2.65 cents to 1.95 cents after the Proposed Acquisition. However, we note with respect to the proforma NTA per Share, CAH's operating subsidiaries operate as asset light entities with few tangible assets; and
- (ii) the EPS will increase from 0.66 cents to 0.87 cents after the Proposed Acquisition.

5. OUR OPINION

In arriving at our recommendation in respect of the Proposed Acquisition, we have taken into consideration, *inter alia*, the following factors summarised below as well as further elaborated within the IFA Letter. The following should be read in conjunction with, and in the context of, the full text of this IFA Letter.

- (i) Rationale for the Proposed Acquisition, which as a 100% shareholder in CAH, aligns with the Group's strategy and intention to accelerate expansion through acquisitions to strengthen its market position, leveraging greater economies of scale and complementing its range of services;
- (ii) Valuation statistics compared to the Initial Acquisition, where we note the price-to-earnings ratios for Proposed Acquisition are lower than the ratios for the Initial Acquisition;
- (iii) Financial assessment of the Consideration to Comparable Companies listed on SGX-ST and to Precedent Transaction in the healthcare industry:
 - a. the EV/EBITDA ratio (*proforma basis*) of the Proposed Acquisition is below the range of the EV/EBITDA of the Precedent Transactions;
 - b. the P/E ratio (*proforma basis*) of the Proposed Acquisition is within the range of the P/E ratios for Precedent Transactions;
 - c. the EV/EBITDA ratio (*proforma basis*) of the Proposed Acquisition is within the range of the EV/EBITDA ratios for Comparable Companies;
 - d. the P/E ratio (*proforma basis*) of the Proposed Acquisition is below the range of the P/E ratios for Comparable Companies; and
- (iv) Financial effects of the Proposed Acquisition, which we note is EPS accretive and will increase from 0.66 cents to 0.87 cents after the Proposed Acquisition.

APPENDIX A – IFA LETTER

Having regards to the considerations as set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Acquisition, as an Interested Person Transaction, is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

We have prepared this Letter for the use of the Non-Interested Directors in connection with and for the purposes of their consideration of the Proposed Acquisition. The recommendation made by them to the Shareholders in relation to the Proposed Transaction shall remain the sole responsibility of the Non-Interested Directors. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose other than for the purpose of the Proposed Acquisition at any time and in any manner without prior written consent of ECA in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly,
For and on behalf of
Evolve Capital Advisory Private Limited

Jerry CHUA
CEO and Managing Partner

NOTICE OF EXTRAORDINARY GENERAL MEETING

ASIAN HEALTHCARE SPECIALISTS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201727543R)

NOTICE OF EXTRAORDINARY GENERAL MEETING

All capitalised terms used in this Notice which are not defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them in the circular to shareholders of the Company dated 6 July 2021.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of ASIAN HEALTHCARE SPECIALISTS LIMITED (the “**Company**”) will be held by way of electronic means on Wednesday, **21 July 2021 at 10:00 a.m.** for the purpose of considering and, if thought fit, passing, with or without amendments, the resolutions set out below.

This Notice has been made available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at the URL <https://investor.asianhealthcare.com.sg/egm.html>. A printed copy of this Notice will NOT be despatched to members.

Shareholders should note that Ordinary Resolution 1 and Ordinary Resolution 2 are inter-conditional upon each other. Accordingly, in the event that any of these resolutions is not approved, the other resolution will not be duly passed.

ORDINARY RESOLUTION 1 - PROPOSED ACQUISITION OF THE REMAINING 49.0% INTEREST IN THE COMPANY’S SUBSIDIARY, CORNERSTONE ASIA HEALTH PTE. LTD. (“PROPOSED ACQUISITION”), UNDER CHAPTER 9 OF THE CATALIST RULES

THAT, subject to and contingent upon the passing of Ordinary Resolution 2, for the purpose of Chapter 9 of the Catalist Rules:-

- (a) approval be and is hereby given for the Company to enter into the Proposed Acquisition, upon the terms and conditions of the sale and purchase agreement dated 30 June 2021 entered into by the Company as purchaser and Dr. Ng Tay Meng, Dr. Seah Sheng Heang Geoffry, Dr. Khoo Shih Wee @ Lawrence Khoo, Dr. Ho Siew Hong and Dr. Cheng Ching Li, Bobby as the vendors (“**Vendors**”); and
- (b) the Directors of the Company and each of them be and are hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Proposed Acquisition, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this resolution or the transactions contemplated pursuant to or in connection with the Proposed Acquisition.

Note to Ordinary Resolution 1:

Pursuant to Rule 919 of the Catalist Rules, Dr. Cheng Ching Li, Bobby and his associates will abstain from exercising any voting rights in relation to the Ordinary Resolution.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 2 - PROPOSED ALLOTMENT AND ISSUANCE OF 72,972,973 CONSIDERATION SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.185 FOR EACH CONSIDERATION SHARE (“PROPOSED ALLOTMENT”) UNDER RULE 805(1) OF THE CATALIST RULES AS PART OF THE PURCHASE CONSIDERATION PURSUANT TO THE PROPOSED ACQUISITION, OF WHICH 22,059,989 CONSIDERATION SHARES ARE TO BE ISSUED TO DR. CHENG CHING LI, BOBBY UNDER RULE 804 AND RULE 812 OF THE CATALIST RULES

THAT, subject to and contingent upon the passing of Ordinary Resolution 1, for the purposes of Rule 805(1), Rule 804 and Rule 812 of the Catalist Rules:-

- (a) in connection with the Proposed Acquisition, approval be and is hereby given to the Company to issue and allot 72,972,973 Consideration Shares based on the issue price of S\$0.185 per Consideration Share to the Vendors, out of which 22,059,989 Consideration Shares are to be issued to Dr. Cheng Ching Li, Bobby, a Director and a substantial shareholder of the Company, as partial consideration for the Proposed Acquisition; and
- (b) the Directors of the Company and each of them be and are hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to this resolution, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this resolution.

Note to Ordinary Resolution 2:

Pursuant to Rule 804 and Rule 812 of the Catalist Rules, Dr. Cheng Ching Li, Bobby, and his associates will abstain from exercising any voting rights in relation to the Ordinary Resolution.

By Order of the Board of Directors

Dr. Chin Pak Lin
Executive Director and Chief Executive Officer
6 July 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

Important Notice from the Company on COVID-19

As the COVID-19 situation continues to evolve, the Company is closely monitoring the situation, including any precautionary measures which may be required or recommended by government agencies to minimise the risk of community spread of COVID-19. **Members should note that the Company may be required (including at short notice) to make further changes to its EGM arrangements as the situation evolves, and members are advised to keep abreast of any such changes as may be announced by the Company as may be made from time to time on SGXNET.**

1. No attendance at EGM

Alternative arrangements have been put in place to allow members to participate at the EGM by watching the EGM proceedings through a “live” webcast via his/her/its mobile phones, tablets or computers or listening to the EGM proceedings via “live” audio feed via telephone. Members who pre-register to watch the “live” webcast or listen to the “live” audio feed may also submit questions related to the resolutions to be tabled for approval at the EGM, and members who wish to exercise their voting rights may do so by appointing the Chairman of the EGM as proxy. Please see the paragraphs below for these alternative arrangements.

2. Registration to attend the EGM Remotely

A member who wishes to watch the “live” webcast or listen to the “live” audio feed must pre-register by **10:00 a.m. on 18 July 2021** (“**Registration Cut-Off Date**”) (being **72 hours** before the time fixed for the EGM), at the URL <https://investor.asianhealthcare.com.sg/egm.html>. A member will be required to provide their full name, NRIC/Passport No./Company Registration No. and address for verification purposes.

Upon successful registration, authenticated members will receive an email confirmation by **19 July 2021** with their user log-in details, access password and the link to access the “live” webcast and/or telephone number for “live” audio feed of the EGM proceedings.

A member who does not receive any email by **11:00 a.m. on 19 July 2021**, but who have registered by the Registration Cut-Off Date, should contact the Company’s Share Registrar at the following email address: srs.teamc@boardroomlimited.com

3. Prior submission of questions

A member who pre-registers to watch the “live” webcast or listen to the “live” audio feed may also submit questions related to the resolutions to be tabled for approval for the EGM. To do so, all questions must be submitted by **10:00 a.m. on 18 July 2021** (being **72 hours** before the time fixed for the EGM):

- (i) via the pre-registration website at the URL <https://investor.asianhealthcare.com.sg/egm.html>;
- (ii) in hard copy by submitting personally or by post and lodging the same at the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
- (iii) by submitting electronically via email to the Company’s Share Registrar at srs.teamc@boardroomlimited.com

The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM before the EGM on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at the URL <https://investor.asianhealthcare.com.sg/egm.html>.

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. Voting by proxy only

A member will not be able to vote online on the resolutions to be tabled for approval at the EGM. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must submit an instrument of proxy to appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. A member (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the instrument of proxy, failing which the appointment will be treated as invalid.

The instrument of proxy, together with the letter or power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:

- (i) if submitted personally or by post, be lodged at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
- (ii) if submitted electronically, be submitted via email to the Company's Share Registrar at srs.teamc@boardroomlimited.com

in either case, by **10:00 a.m. on 18 July 2021** (being **72 hours** before the time fixed for the EGM), and in default the instrument of proxy shall not be treated as valid.

SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective SRS Operators to submit their votes by **10:00 a.m. on 9 July 2021**, being 7 working days before the date of the EGM.

The Chairman of the EGM, as proxy, need not be a member of the Company.

The instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing the Chairman of the EGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.

The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Please refer to Section 8 of the Circular for more details on how members may attend and participate in the EGM.

PERSONAL DATA PRIVACY

By submitting a proxy form appointing the Chairman of the EGM as proxy to attend and vote at the EGM and/or any adjournment thereof, and/or by registering to attend the EGM as detailed in Section 8 of the Circular, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

ASIAN HEALTHCARE SPECIALISTS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201727543R)

PROXY FORM**EXTRAORDINARY GENERAL MEETING****IMPORTANT:**

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance, voting by proxy at the EGM are set out in Section 8 of the Company's circular dated 6 July 2021 which has been uploaded together with the Notice of EGM dated 6 July 2021 on SGXNET on the same day.
2. A member will not be able to attend the EGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its votes, he/she/it must submit a proxy form to appoint the Chairman of the EGM to vote on his/her/its behalf. A member (whether individual or corporate) appointing the Chairman of the Meeting as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.
3. This Proxy Form is not valid for use by SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective SRS Operators to submit their votes by **10:00 a.m. on 9 July 2021**, being 7 working days before the date of the EGM.

Personal Data Privacy

By submitting an instrument appointing the Chairman of the EGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 6 July 2021.

I/We, _____ (Name) _____ (NRIC / Passport no.)
of _____ (Address)

being a *member/ members of ASIAN HEALTHCARE SPECIALISTS LIMITED ("the **Company**"), hereby appoint the Chairman of the Extraordinary General Meeting of the Company ("**EGM**"), as my/our proxy to vote for me/us on my/our behalf at the EGM to be convened and held by way of electronic means on **21 July 2021 at 10:00 a.m.** and at any adjournment thereof.

I/We direct the Chairman of the EGM to vote for, or against, or abstain from voting the Ordinary Resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given in respect of a resolution, the proxy shall abstain from voting on any matter arising at the EGM and at any adjournment thereof in respect of that resolution.

	Number of votes For*	Number of votes Against*	Number of votes Abstaining*
ORDINARY RESOLUTION 1 Proposed acquisition of the remaining 49.0% interest in the Company's subsidiary, Cornerstone Asia Health Pte. Ltd. (" Proposed Acquisition "), under Chapter 9 of the Catalist Rules			
ORDINARY RESOLUTION 2 Proposed allotment and issuance of 72,972,973 Consideration Shares in the capital of the Company at an issue price of S\$0.185 for each Consideration Share under Rule 805(1) of the Catalist Rules as part of the purchase consideration pursuant to the Proposed Acquisition, of which 22,059,989 Consideration Shares are to be issued to Dr. Cheng Ching Li, Bobby under Rule 804 and Rule 812 of the Catalist Rules			

* Voting will be conducted by poll. If you wish the Chairman of the EGM to cast all your votes "For" or "Against" an Ordinary Resolution, or to "Abstain" an Ordinary Resolution, please indicate with a "✓" within the box provided. Otherwise, please indicate the number of votes "For" or "Against" an Ordinary Resolution, or to "Abstain" from an Ordinary Resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.

Dated this _____ day of _____, 2021

Signature(s) of Member(s)

or Common Seal of Corporate Member

Total Number of Shares in:	Number of Shares
(a) CDP Register	
(b) Register of Members	



IMPORTANT: PLEASE READ NOTES OVERLEAF.

NOTES:-

1. If the member has Shares entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), he/she/it should insert that number of Shares. If the member has Shares registered in his/her/its name in the Register of Members, he/she/it should insert that number of Shares. If the member has Shares entered against his/her/its name in the Depository Register and Shares registered in his/her/its name in the Register of Members, he/she/it should insert the number of Shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by the member.
2. Due to the current COVID-19 situation and the related safe distancing measures in Singapore, a member will not be able to attend the EGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must submit an instrument of proxy to appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. A member (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the instrument of proxy, failing which the appointment will be treated as invalid.
3. The Chairman of the EGM, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the EGM as proxy, together with the letter or power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof must:
 - (a) if submitted personally or by post, be lodged at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at srs.teamc@boardroomlimited.com, in either case, by **10:00 a.m. on 18 July 2021** (being **72 hours** before the time fixed for the EGM), in default the instrument of proxy shall not be treated as valid.

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**Affix
Postage
Stamp**

ASIAN HEALTHCARE SPECIALISTS LIMITED
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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5. The instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its common seal, executed as a deed in accordance with the Companies Act or under the hand of its attorney or officer duly authorised, or in some other manner approved by the Directors.
6. Where an instrument appointing the Chairman of the EGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a copy thereof (failing previous registration with the Company) must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. Relevant Intermediaries shall also appoint the chairman of the EGM to act as proxy and direct the vote at the EGM. Together with the instrument appointing a proxy, the Relevant Intermediaries shall provide to the Company a list of attendees who would like to attend the EGM by way of a "live" webcast and/or "live" audio feed with each attendee's full name, NRIC/Passport No./Company Registration No., address and email address for verification purposes. Upon successful registration, authenticated attendees will receive an email confirmation by **11.00 am on 19 July 2021** with their user log-in details, access password and the link to access the "live" webcast and/or telephone number for "live" audio feed of the EGM proceedings.
8. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.
9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the instrument of proxy. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at **72 hours** before the time appointed for holding the EGM, as certified by The Central Depository (Pte.) Limited to the Company.