



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

**PROPOSED ACQUISITION OF ASIAN ANAESTHESIA CARE PTE. LTD.
– QUERIES FROM THE SGX-ST**

1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of Asian Healthcare Specialists Limited (the "**Company**") refers to the announcement made on 26 October 2018 ("**Acquisition Announcement**") in relation to the proposed acquisition of the entire issued and paid up shares ("**Sale Shares**") in the share capital of Asian Anaesthesia Care Pte. Ltd. ("**AAC**") by the Company (the "**Proposed Acquisition**"). Capitalised terms used but not defined herein shall have the meaning ascribed to it in the Acquisition Announcement

2. QUERIES FROM THE SGX-ST AND THE COMPANY'S RESPONSES

Query: What are some market comparables which was taken into account to arrive at a consideration of S\$11.05m (the "Consideration") for the Proposed Acquisition? Why was an independent valuation not conducted?

Response: The Company had considered the valuation of similar acquisitions made by other comparable listed healthcare providers listed on the SGX-ST. The Company has also considered, *inter alia*, its own trading valuation, and noted that the Proposed Acquisition is earnings accretive.

AAC operates as an asset light entity with few tangible assets. Accordingly, the Company had not commissioned an independent property valuation. In arriving the purchase consideration, the Company had considered the valuation of similar acquisitions made by other comparable listed healthcare providers. In addition, the Company had also considered the nature of AAC's business, and that the real value is intrinsic in the reputation and experience of Dr Roy Lim Tet Chen who will be employed by the 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.

Query: In addition to the unaudited pro forma financial results for the 12 months period ended 31 December 2017, are the unaudited pro forma financial results of AAC since 2014 available?

Response: Based on the unaudited pro forma financial results of AAC for the 12 months ended 31 December 2015 (being the first full year of operations) and 31 December 2016, after adjusting for the financial effects of the Service Agreement, the pro forma profit after tax of AAC was S\$672,000 and S\$823,000, respectively.

Query: It was mentioned in the announcement that the Proposed Acquisition is another step in the Group's plans to establish a pain management centre. We also noted in the IPO prospectus of the Company that the Group's business has been in specialist orthopaedic, trauma and sports services in general. The Group aspires to complement the suite of orthopaedic services by providing patients with other ancillary services such as physiotherapy and pain management. Given that the Group does not existingly provide services in the arena of pain management, will the management and board of the Company consider the Proposed Acquisition to change the risk profile of the Company, thereby requiring shareholders' approval on the Proposed Acquisition?

Response: As stated on page 96 of the Company's Offer Document dated 12 April 2018, the Group views pain management services as complementary and ancillary to its existing orthopaedics, trauma and sports services, rather than as a new business line. Investors who have subscribed for Shares in the Placement would be aware of the Group's future business plans and would have subscribed on that basis. The Group does not view this as a change in risk profile and the approval of shareholders is not required.

By Order of the Board of
Asian Healthcare Specialists Limited

Dr Chin Pak Lin
Executive Chairman and CEO
5 November 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

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

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