



**ASIAN HEALTHCARE SPECIALISTS LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 201729864H)

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- (1) **PROPOSED ISSUANCE OF CONVERTIBLE BONDS**
  - (2) **EARLY CONDITIONAL REDEMPTION AND TERMINATION AGREEMENT IN RESPECT OF CONVERTIBLE BONDS AND OPTION ISSUED TO VANDA 1 INVESTMENTS PTE. LTD. IN OCTOBER 2018**
  - (3) **INVESTMENT INTO FANSIPAN 2 HOLDINGS PTE. LTD.**
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**1. INTRODUCTION**

The board of directors ("**Directors**") of Asian Healthcare Specialists Limited (the "**Company**", and together with its subsidiaries, the "**Group**"), wishes to announce that the Company has today entered into:

- (a) an investment agreement ("**Encyclia Investment Agreement**") with Encyclia 1 Investments Pte. Ltd. ("**Encyclia**") in relation to a zero-coupon convertible bond in the aggregate principal amount of S\$3,000,000 due in 2021 to be issued to Encyclia ("**Encyclia Convertible Bond**"), convertible in whole or in part into fully-paid ordinary shares in the capital of the Company ("**Encyclia Conversion Shares**") at a conversion price of S\$0.1602<sup>1</sup> per Encyclia Conversion Share ("**Conversion Price**"), which is subject to adjustments in accordance with the provisions of the Encyclia Investment Agreement ("**Encyclia Adjustment Events**"), with the Encyclia Convertible Bond to be mandatorily convertible into the Encyclia Conversion Shares upon completion of any Healthcare Investment(s) (as defined in Paragraph 8 below) by Fansipan 2 Holdings Pte. Ltd. ("**Fansipan 2**") singly, or in aggregate, of a consideration of more than S\$10 million ("**Mandatory Conversion Event**");
- (b) an investment agreement ("**Vanda Investment Agreement**" and together with the Encyclia Investment Agreement, the "**Investment Agreements**") with Vanda 1 Investments Pte. Ltd. ("**Vanda**") in relation to a zero-coupon convertible bond in the aggregate principal amount of S\$1,000,000 due in 2021 to be issued to Vanda ("**Vanda Convertible Bond**" and together with the Encyclia Convertible Bond, the "**Convertible Bonds**"), convertible in whole or in part into fully-paid ordinary shares in the capital of the Company ("**Vanda Conversion Shares**" and together with the Encyclia Conversion Shares, the "**Conversion Shares**") at the Conversion Price, which is subject to adjustments in accordance with the provisions of the Vanda Investment Agreement ("**Vanda Adjustment Events**" and together with the Encyclia Adjustment Events, the "**Adjustment Events**") with the Vanda Convertible Bond to be mandatorily convertible into the Vanda Conversion Shares upon the occurrence of a Mandatory Conversion Event;

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<sup>1</sup> The Conversion Price represents 10.0% discount to the prevailing market price of the underlying shares prior to the signing of the Investment Agreements of S\$0.1780.

- (c) an agreement ("**Early Redemption and Termination Agreement**") with Vanda to (i) conditionally redeem the zero-coupon convertible bond in the aggregate amount of S\$5,000,000 ("**2018 Vanda Convertible Bond**") in full that was issued by the Company to Vanda pursuant to the investment agreement dated 15 October 2018 ("**2018 Vanda Investment Agreement**") and (ii) to terminate the option granted thereunder to subscribe for such number of ordinary shares in the capital of the Company for an aggregate consideration of S\$5,000,000 at the exercise price of S\$0.325 per option share. Of the S\$5,000,000 to be redeemed pursuant to the 2018 Vanda Convertible Bond, S\$1,000,000 out of the redemption proceeds of the 2018 Vanda Convertible Bond to be used by Vanda for the subscription of the Vanda Convertible Bond, whilst the redemption for the remaining S\$4,000,000 is conditional upon the Mandatory Conversion Event occurring<sup>2</sup>; and
- (d) a framework agreement ("**Framework Agreement**") between (i) Encyclia, (ii) Fansipan 2, (iii) the Company, and (iv) Salvia Ventures Pte. Ltd. ("**Salvia**"), a wholly owned and newly incorporated subsidiary of the Company incorporated for the purposes of undertaking the Group's minority investment in Fansipan 2 ("**Fansipan 2 Investment**"). The Framework Agreement sets out the understanding between Encyclia and Salvia for Fansipan 2 to undertake investments, whether directly or indirectly in any healthcare or healthcare-related investments in South-East Asia to be identified by Heliconia Capital Management Pte. Ltd. ("**Heliconia**"), further details of which are further set out in Paragraph 8 below.

## 2. INFORMATION ON THE INVESTORS OF THE CONVERTIBLE BONDS

Encyclia and Vanda (the "**Investors**" and each, an "**Investor**") are both Singapore incorporated companies managed and controlled by Heliconia. Heliconia is an investment company incorporated in Singapore and a wholly-owned subsidiary of Temasek Holdings (Private) Limited ("**Temasek**"). Heliconia provides growth capital to Singapore's leading small and medium-sized enterprises to help them become globally competitive companies. Heliconia is an independently managed Temasek portfolio company. Temasek is not involved in Heliconia's business or operating decisions, including those regarding the transactions contemplated by the Investment Agreements.

As at the date of this announcement, (i) none of the Investors has any interests in the Company (save for the 2018 Vanda Convertible Bond), (ii) none of the Investors is related to any of the Directors, substantial shareholders of the Company or their respective associates, (iii) none of the Investors is a restricted person under Rule 812(1) of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). There is also no connection (including business relationships) between the Directors or substantial shareholders of the Company and the Investors, their directors and substantial shareholders.

The Conversion Shares when issued represent approximately 5.79% of the existing issued and fully-paid up ordinary shares ("**Shares**") in the Company<sup>3</sup> ("**Existing Shares**"), and would represent approximately 5.48% of the enlarged issued share capital of the Company after the issue and allotment of the Conversion Shares (assuming the full conversion of the Convertible Bonds). Please refer to Paragraph 9.1 of this announcement for more information.

The allotment and issuance of the Conversion Shares will not result in a transfer of controlling interest in the Company.

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<sup>2</sup> If the Mandatory Conversion Event does not occur, the remaining S\$4,000,000 of the 2018 Vanda Convertible Bond will mature on its original maturity date, being 30 October 2021.

<sup>3</sup> As at the date of this Announcement, the Company has 430,964,237 Shares in issue.

### 3. PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

Pursuant to the respective Investment Agreements, the principal terms of the Convertible Bonds are summarised as follows:

<b>Principal Sum</b>	Encyclia Convertible Bond: S\$3,000,000 Vanda Convertible Bond: S\$1,000,000
<b>Interest</b>	Each of the Convertible Bonds is a zero-coupon instrument and shall accordingly not bear any interest.
<b>Status of the Convertible Bond</b>	Each of the Convertible Bond constitutes direct, unconditional and unsubordinated obligations of the Company. The payment obligations of the Company under the Convertible Bonds shall at all times rank at least equally with all of the Company's other present and future unsecured and unsubordinated obligations.
<b>Title and Transfer</b>	The Convertible Bonds shall be issued in the name of Encyclia or Vanda (as the case may be). Save for permitted transfers to the relevant Investor's affiliates in accordance with the respective Investment Agreement, each of the Convertible Bonds is non-transferrable and accordingly the relevant Investor shall not be entitled to sell, transfer, assign, dispose of, realise, create any encumbrance over or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of all or any part of the relevant Convertible Bond.
<b>Conversion Right and Conversion Period</b>	The Convertible Bonds shall be:  (a) mandatorily converted in full (and not part only) into Conversion Shares upon the completion of investment(s) into healthcare or healthcare related investments in South-East Asia (as identified by Heliconia), singly or in aggregate, of a consideration of more than S\$10 million (the " <b>Mandatory Conversion Event</b> "); or  (b) provided the Mandatory Conversion Event has not occurred, converted in full or in part into Conversion Shares at the option of the relevant Investor at any time from the Convertible Bond Closing Date until the Redemption Date.
<b>Conversion Price</b>	S\$0.1602 per Conversion Share, subject to adjustments pursuant to the Adjustment Events.
<b>Adjustment Events</b>	The Conversion Price and number of Conversion Shares to be issued are subject to certain anti-dilution adjustments under certain circumstances provided for in the Investment Agreement, including, <i>inter alia</i> :  (a) any consolidation, subdivision, or reclassification of Shares;  (b) issue by the Company of Shares credited as fully-paid by way of capitalisation of profits or reserves; and  (c) issue by the Company of Shares by way of rights of options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than the Current Market Price (as defined in the Investment Agreements) per Share on the date on which the final terms of such issue or grant is first publicly announced.

	<p>The grant of any new options or awards pursuant to the Company's existing AHS Performance Share Plan adopted on 22 March 2018 and any future employee share option scheme or plans which are in compliance with the Catalist Rules shall not result in any adjustments.</p>
<p><b>Conversion Shares and Status</b></p>	<p>The number of Conversion Shares (rounded up to the nearest whole number) to be issued on any conversion of the whole or part of the Convertible Bonds shall be determined as follows:</p> $\text{Number of Conversion Shares (rounded up to the nearest whole number)} = \frac{\text{Principal Amount}}{\text{Conversion Price}}$ <p>Assuming that there are no Adjustment Events which will result in adjustments to the Conversion Price and that the Convertible Bonds are converted in full into Conversion Shares, the maximum number of Conversion Shares of 24,968,788 Shares (comprising up to 18,726,591 Conversion Shares to be issued by the Company to Encyclia and up to 6,242,197 Conversion Shares to be issued by the Company to Vanda) when allotted and issued, will represent approximately 5.79% of the Existing Shares and 5.48% of the enlarged share capital of 455,933,025 Shares, after the full conversion of the Convertible Bonds.</p> <p>The Conversion Shares when issued will be duly authorised, validly issued and fully-paid Shares which are free from encumbrances and will rank pari passu in all respects with the then existing Shares of the Company, save that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Conversion Shares.</p>
<p><b>Redemption</b></p>	<p>If, by the date falling 12 months from the Convertible Bond Closing Date (the "<b>Redemption Date</b>"), the Convertible Bonds have not been converted under these Conditions, the Company shall redeem the Convertible Bonds by paying to the relevant Investor an amount equivalent to the outstanding principal amount in respect of the Convertible Bonds. The Redemption Date shall be automatically extended to the date falling 18 months from the Convertible Bond Closing Date in the event that by the original Redemption Date, no Healthcare Investment(s) has been made by Fansipan 2 and on such date, the proceeds of the Convertible Bond which have been utilised to invest in Fansipan 2 have not been returned to the Company.</p> <p>The relevant Investor shall also be able to require the Company to redeem the Convertible Bonds if, <i>inter alia</i>, there is a material breach by the Company of any of the terms of the Investment Agreement or the conditions attaching to the Convertible Bonds, and such breach if capable of remedy, is not remedied within 30 days of notification to the Company of such breach.</p> <p>Additionally, Encyclia shall also be able to require the Company to redeem the Encyclia Convertible Bond if no Healthcare Investment(s) have been made by Fansipan 2 within six months of the Convertible Bond Closing Date and the proceeds of the Encyclia Convertible Bond utilised for investment in Fansipan 2 has been returned to the Company.</p>

<b>Conditions precedent to the issuance of Convertible Bonds</b>	<p>The issue of the Convertible Bonds shall be conditional upon, inter alia, the following:</p> <p>(a) the approval in-principal from the SGX-ST for the listing and quotation of the Conversion Shares on Catalist having been obtained and such approval being in full force and effect as at the Convertible Bond Closing Date, and not having been revoked or varied, and where such approval is subject to conditions, such conditions being reasonably acceptable to the parties, and to the extent that any such conditions are required to be fulfilled on or before the Closing Date, such conditions having been fulfilled or waived by the SGX-ST;</p> <p>(b) the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares and all the transactions contemplated under the Investment Agreements not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Investment Agreements by any legislative, executive or regulatory body or authority (including the SGX-ST) in Singapore, which is applicable to any of the parties, including the Catalist Rules; and</p> <p>(c) there having occurred no material adverse effect.</p>
<b>Convertible Bond Closing Date</b>	The later of 3 August 2020 or the business day immediately following the fulfilment (or waiver) of the conditions precedent under the Investment Agreements (or such other date as may be agreed in writing between the Parties).
<b>Long-Stop Date</b>	If any of the conditions precedent under the Investment Agreements is not satisfied or waived (as the case may be) by the relevant Investor before the date falling 2 weeks from the date of the Investment Agreements (or such other date as the parties may agree in writing) (" <b>Long-Stop Date</b> "), each of the Investment Agreements shall lapse and cease to have any effect.
<b>Appointment Rights</b>	In the event a Mandatory Conversion Event has occurred, Encyclia shall be entitled to nominate a director to the Board of the Company for so long as its holds not less than 3 per cent. of the issued Shares of the Company.
<b>Governing Law</b>	Singapore law.

#### 4. RATIONALE AND USE OF PROCEEDS FROM THE CONVERTIBLE BONDS

The estimated net proceeds, after deducting estimated expenses, from the issue and subscription of the Convertible Bonds are approximately S\$3,950,000. The Group, after taking into account its working capital position, intends to apply the 100% of the proceeds as partial funding of its investment into Fansipan 2 (further details of which are set out in Paragraph 8 of this announcement).

## 5. **AUTHORITY TO ISSUE THE CONVERSION SHARES**

The Conversion Shares will be issued pursuant to the general mandate approved by the shareholders of the Company ("**Shareholders**") at the Annual General Meeting of the Company held on 23 January 2020 ("**2020 Share Issue Mandate**").

The 2020 Share Issue Mandate authorises the Directors to allot and issue new Shares and/or convertible securities of not more than 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the 2020 Share Issue Mandate, of which the aggregate number of Shares to be issued other than on a pro rata basis to existing shareholders shall not be more than 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the 2020 Share Issue Mandate. No Shares were previously issued under the 2020 Share Issue Mandate prior to the date of the Investment Agreements and as such, the total number of Shares that may be issued pursuant to the Share Issue Mandate is 325,892,857 Shares, of which the number of Shares to be issued other than on a pro rata basis is 162,946,428 Shares.

Assuming each of the Convertible Bonds is fully converted by the relevant Investor in accordance with the terms of the respective Investment Agreements, and there are no Adjustment Events, based on the Conversion Price of S\$0.1602, up to an aggregate of 24,968,788 Conversion Shares will be issued, and accordingly, the proposed issuance and allotment of the Conversion Shares is within the limits of the 2020 Share Issue Mandate. Accordingly, specific shareholder approval from Shareholders for the issuance and allotment of the Conversion Shares is not required.

## 6. **NO PROSPECTUS OR OFFER INFORMATION STATEMENT**

The issuance of the Convertible Bonds (and the issuance and allotment of the Conversion Shares) will be undertaken by way of a private placement pursuant to the exemption of Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company and/or lodged with the SGX-ST in connection therewith.

## 7. **APPROVALS**

The Company, through its sponsor, RHT Capital Pte. Ltd., will be making an application to the SGX-ST for the listing and quotation of the Conversion Shares on Catalist. The Company will make the necessary announcements once the listing approval in respect of the Conversion Shares has been obtained.

## 8. **FANSIPAN 2 INVESTMENT**

On the date hereof, Salvia has entered into the Framework Agreement with Encyclia and Fansipan 2 for, *inter alia*, the investment into Fansipan 2.

Each of Salvia and Encyclia have agreed to invest into Fansipan 2 for Fansipan 2 to undertake investments, whether directly or indirectly, in any healthcare or healthcare-related investments in South-East Asia, as identified by Heliconia (after prior consultation with the Company) ("**Healthcare Investment(s)**").

### 8.1. Material Terms of the Framework Agreement

- (a) As part of the first tranche of funding in the amount of S\$33,600,000 ("**First Funding Tranche**"): (i) Salvia will, conditional upon the issuance of the Convertible Bonds, subscribe for shares comprising approximately 23.8% of the total number of shares ("**AHS Fansipan 2 Shares**") in the capital of Fansipan 2, for a subscription consideration of S\$8,000,000 in cash; and (ii) Encyclia will subscribe for shares comprising the remaining approximately 76.2% of the total number of shares in Fansipan 2 for a subscription consideration of S\$25,600,000.
- (b) From time to time, when additional funds are required for the funding the acquisition of any Healthcare Investment(s) ("**Additional Funding Tranche**"), Salvia and Encyclia shall have the right (but not the obligation) to subscribe for their relative proportion of the Additional Funding Tranche. In the event Salvia does not fund its relative proportion of the Additional Funding Tranche, such portion of the Additional Funding Tranche shall be funded by Encyclia and Salvia's shareholding proportion in Fansipan 2 shall be adjusted accordingly. The Additional Funding will be at the same issue price as the First Funding Tranche.
- (c) Completion of the First Funding Tranche and Additional Funding Tranche shall take place on such date falling 2 business days after Encyclia issues the relevant written notice to Salvia or at such time as the parties may agree in writing. There are no conditions precedent to completion.
- (d) The funds raised by Fansipan 2 are to be used for the purposes of any Healthcare Investment(s), and for working capital of such Healthcare Investment(s), should there be an excess of funds raised.

### 8.2. Governance Matters

Following the completion of the First Funding Tranche, the Group will be a minority investor in Fansipan 2, which will be controlled by Encyclia. The Framework Agreement additionally sets out certain governance and protective rights accorded to Salvia. These include:

- (a) Salvia having the right to appoint one director to the Board of Fansipan 2;
- (b) Salvia being entitled to certain financial information rights;
- (c) Salvia being entitled to reserved rights in respect of certain key operational matters, including (i) material changes to the business of Fansipan 2 and that of any investee entity, and (ii) material contracts and significant transactions to be undertaken by Fansipan 2 and any investee entity; and
- (d) Pre-emption rights on a proportionate basis of the shareholders of Fansipan 2 in respect of new issuances of shares in Fansipan 2.

Additionally, Salvia will not transfer all or any part of its shares in Fansipan 2 without Encyclia's prior consent. Salvia however, has tag-along rights, should Encyclia wish to transfer any or all of its shares in Fansipan 2 to a third party. Encyclia will also have drag-along rights in respect of Salvia's shares, should Encyclia wish to sell all of its shares in Fansipan 2, subject to certain conditions being met.

### 8.3. Funding for the Fansipan 2 Investment

The Fansipan 2 Investment will be funded by a combination of (i) the proceeds from the Convertible Bonds, (ii) the remainder of the Company's net proceeds raised from its initial public offering of S\$2,125,000 and (iii) internal resources.

#### 8.4. Rationale for the Fansipan 2 Investment

The Group views the Fansipan 2 Investment as an opportunity to foray into an overseas market as a minority investor with a strong majority investment partner in Heliconia. The Group's participation in a co-investment vehicle with Heliconia, should a Healthcare or Healthcare-related Investment be consummated, will enable it to gain valuable knowledge and insight for future investment opportunities. Additionally, if a Healthcare or Healthcare-related Investment of more than S\$10 million is consummated by Fansipan 2, the Mandatory Conversion Event will be triggered and Heliconia will also become a substantial shareholder of the Company, which may lead to increased visibility and profile of the Company in the capital markets.

#### 8.5. Relative Figures under Rule 1006 of the Catalist Rules

The relative figures computed on the bases pursuant to Rules 1006(a) to (e) of the Catalist Rules based on the latest announced consolidated financial statements of the Group for the six months ended 31 March 2020 are as follows:

Rule 1006	Basis of Calculation	Relative Figure (%)
(a)	The net asset value of the AHS Fansipan 2 Shares, compared with the Group's net asset value.	Not applicable <sup>(1)</sup>
(b)	The net profits attributable to the AHS Fansipan 2 Shares with the Group's net profits.	Not applicable <sup>(2)</sup>
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	10.43% <sup>(3)</sup>
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable <sup>(4)</sup>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.	Not applicable <sup>(5)</sup>

**Notes:**

- (1) Not applicable, as the Fansipan 2 Investment does not involve a disposal of assets.
- (2) Not applicable, as Fansipan 2 is a newly incorporated company.
- (3) Based on the aggregate subscription of S\$8,000,000 for First Funding Tranche only and the market capitalisation of the Company of approximately S\$76,711,634 computed based on the prevailing market price of the underlying shares prior to the signing of the Investment Agreements and the Framework Agreement of S\$0.1780.
- (4) Not applicable, as no equity securities are being issued in connection with the Fansipan 2 Investment.
- (5) Not applicable, as the Fansipan 2 Investment does not involve a disposal of mineral, oil and gas assets.

Based on the above figures, the Fansipan 2 Investment constitutes a "discloseable transaction" under Rule 1010 of the Catalist Rules and is not subject to shareholders' approval.



## 9. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

The financial effects of the issuance of the Convertible Bonds, the issuance and allotment of the Conversion Shares, the early redemption of the 2018 Vanda Convertible Bond and the Fansipan 2 Investment (collectively, the "**Proposed Transactions**") on the net tangible assets ("**NTA**") per share and the earnings per share ("**EPS**") of the Group are set out below.

The financial effects which have been prepared based on the audited consolidated financial statements of the Group for the most recently completed financial year ended 30 September 2019 ("**FY2019**"), are purely for illustrative purposes only and do not reflect the actual financial position of the Group after the Proposed Transactions.

### 9.1. Share Capital

	Before the issuance of the Conversion Shares <sup>(1)</sup>	After the issuance of the Conversion Shares <sup>(2)</sup>
Number of Shares	430,964,237	455,933,025

#### Notes:

- (1) Include the consideration shares issued pursuant to the completion of the acquisition (the "**Cornerstone Acquisition**") of 51.0% of Cornerstone Asia Health Pte. Ltd. ("**Cornerstone**") and the issuance of 900,000 shares pursuant to the AHS Performance Share Plan on 19 February 2020.
- (2) Assuming that there are no Adjustment Events which will result in adjustments to the Conversion Price.

As at the date of this announcement, the existing share capital of the Company is approximately S\$50,352,559 comprising 430,964,237 Shares. Upon completion of the issuance of the Convertible Bonds, and the allotment and issuance of the Conversion Shares (assuming the Investors fully convert the Convertible Bonds), the Company will have an enlarged issued share capital of approximately S\$54,352,559 comprising 455,933,025 Shares (assuming that there are no Adjustment Events which will result in adjustments to the Conversion Price).

### 9.2. NTA

For illustrative purposes and assuming the Conversion Shares had been allotted and issued at the Conversion Price and the 2018 Vanda Convertible Bond has been redeemed at the end of FY2019, and assuming that there are no Adjustment Events which will result in adjustments to the Conversion Price, the NTA as at 30 September 2019 would be as follows:

	Before the Proposed Transactions <sup>(1)</sup>	After the issuance of the Convertible Bonds <sup>(2)</sup>	After the Fansipan 2 Investment <sup>(3)</sup> but before the issuance of the Conversion Shares and the redemption of the remainder of the 2018 Vanda Convertible Bond	After the Fansipan 2 Investment <sup>(3)</sup> , the issuance of the Conversion Shares and the redemption of the remainder of the 2018 Vanda Convertible Bond
NTA (S\$'000)	8,964	8,637	8,637	12,522
Number of Shares ('000)	430,064	430,064	430,064	455,033
NTA per Share (cents)	2.08	2.01	2.01	2.75

**Notes:**

- (1) Assuming the completion of the Cornerstone Acquisition in FY2019. For these purposes, the unaudited consolidated proforma NTA of Cornerstone and its subsidiaries (the "**Cornerstone Group**") as at 30 June 2019, amounting to S\$3,181,876 (based on the latest full year financial results available for the Cornerstone Group at the time of the Cornerstone Acquisition), adjusted for (i) aggregate of S\$2,429,100 dividends declared on 23 September 2019 by Cornerstone Group, and (ii) S\$5,000,000 cash consideration paid by the Group for the Cornerstone Acquisition.
- (2) Pro-forma NTA after adjusting for the estimated net proceeds of the Convertible Bonds.
- (3) Assuming that Salvia only subscribes for the shares in Fansipan 2 in the amount of S\$8,000,000 only.

**9.3. EPS**

For illustrative purposes and assuming the Conversion Shares had been allotted and issued at the Conversion Price and the 2018 Vanda Convertible Bonds has been redeemed at the beginning of FY2019 and assuming that there are no Adjustment Events which will result in adjustments to the Conversion Price, the EPS for FY2019 was as below:

	<b>Before the Proposed Transactions<sup>(1)</sup></b>	<b>After the issuance of the Convertible Bonds</b>	<b>After the Fansipan 2 Investment<sup>(2)</sup> but before the issuance of the Conversion Shares and the redemption of the remainder of the 2018 Vanda Convertible Bond</b>	<b>After the Fansipan 2 Investment<sup>(2)</sup>, the issuance of the Conversion Shares and the redemption of the remainder of the 2018 Vanda Convertible Bond</b>
<b>Profit attributable to the owners of the Company (S\$'000)</b>	5,335	4,763	4,763	4,893
<b>Weighted average number of shares ('000)</b>	424,262	424,262	424,262	449,231
<b>EPS (cents)</b>	1.26	1.12	1.12	1.09

**Notes:**

- (1) Assuming the completion of the Cornerstone Acquisition at the beginning of FY2019 and taking into account 51.0% of the unaudited consolidated pro forma net profits after tax of the Cornerstone Group for the twelve months ended 30 June 2019 (based on the latest full year financial results available for the Cornerstone Group at the time of the Cornerstone Acquisition).
- (2) Assuming that Salvia only subscribes for the shares in Fansipan 2 in the amount of S\$8,000,000 only.

**10. DIRECTORS' OPINION**

The Directors are of the opinion that, after taking into consideration the proceeds from the Convertible Bonds and the Group's contribution towards the First Funding Tranche for the Fansipan 2 Investment, the working capital available to the Group is sufficient to meet its present requirements. As at the date of this announcement, the Group does not have any present bank facilities.

**11. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or the controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the above transactions, other than through their respective directorships and/or shareholdings in the Company.

## 12. SERVICE CONTRACTS

As set out in Paragraph 3 above, upon the occurrence of the Mandatory Conversion Event, Encyclia shall be entitled to nominate a director to the Board of the Company for so long as it holds not less than 3.0% of the issued Shares of the Company. Such nominee director shall not be entitled to receive any directors fees. Save as set out herein, there are no persons who are proposed to be appointed as a Director of the Company in connection with the above transactions. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## 13. DOCUMENTS AVAILABLE FOR INSPECTION

The Investment Agreements, the Early Redemption and Termination Agreement and the Framework Agreement are available for inspection, by prior appointment through contacting the Company at [travis.seet@toc.com.sg](mailto:travis.seet@toc.com.sg) or +65 6581 7388, during normal business hours from 9.00 a.m to 5.00 p.m at the registered office of the Company at 38 Irrawaddy Road, #09-42, Singapore 329563 for a period of three (3) months from the date of this announcement.

By Order of the Board of  
**Asian Healthcare Specialists Limited**

Dr Chin Pak Lin  
Executive Director and CEO  
22 July 2020

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

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

*The contact person for the Sponsor is: Name: Mr. Mah How Soon, Registered Professional, RHT Capital Pte. Ltd. Address: 9 Raffles Place #29-01 Republic Plaza Tower 1, Singapore 048619 Tel: (65) 6381 6966.*