**ASIAMEDIC LIMITED**
(Incorporated in the Republic of Singapore)
Company Registration No.: 197401556E

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**INCREASE IN EQUITY INTEREST IN ASIAMEDIC ASTIQUE THE AESTHETIC CLINIC PTE. LTD. PURSUANT TO EXERCISE OF PUT OPTION BY MINORITY SHAREHOLDER**

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## INTRODUCTION

The Board of Directors of AsiaMedic Limited (the "**Company**") refers to the announcements dated 10 June 2013, 20 June 2013 and 1 July 2013 on the acquisition of certain business assets, liabilities and undertakings (the "**Business**") of an aesthetic clinic known as "Astique The Aesthetic Clinic" by AsiaMedic Astique The Aesthetic Clinic Pte. Ltd. ("**AATAC**") from WMB Holdings Pte. Ltd. ("**WMBPL**").

Pursuant to the acquisition of the Business, the Group became the owner of 70% equity interest in AATAC through Wellness Assessment Centre Pte. Ltd. ("**WAC**"), a wholly-owned subsidiary of the Group. The remaining 30% equity interest in AATAC is held by WMBPL. Pursuant to the Shareholders Agreement dated 1 July 2013 entered into between WAC, WMBPL and the Company ("**SHA**"), WAC had granted a put option to WMBPL under which WMBPL would be entitled to require WAC to purchase all of the ordinary shares in AATAC held by WMBPL (the "**Put Option**"). The Put Option is exercisable within the period of 18 months commencing after the date of expiry of 3 years from the date of the sale and purchase agreement for the acquisition of the Business.

## THE EXERCISE OF PUT OPTION BY WMBPL

WMBPL has given the notice to exercise the Put Option. Accordingly, WAC will acquire the three (3) ordinary shares representing 30% equity interest in AATAC (the "**Option Shares**") from WMBPL at a total cash consideration of S$368,450 ("**Option Price**"). The Option Price has been defined in the SHA, and has been determined by reference to the latest available audited accounts of AATAC for the financial year ended 31 December 2015 ("**FY2015**") in accordance with the following formula:

$$\text{Option Price} = \frac{OS}{T} \times (7 \times EBIT)$$

Where:

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|---|---|
| OS | means the number of ordinary shares in AATAC held by WMBPL, i.e. the Option Shares |
| T | means the total number of issued and paid up ordinary shares in the capital of AATAC |
| EBIT | means the profit of AATAC on ordinary activities (including earned interest) before interest costs and taxation for FY2015 |

Pursuant to the exercise of the Put Option, WAC and WMBPL have entered into a settlement agreement (the "**SA**") on 31 January 2017. The acquisition of the Option Shares will be funded by the Group's internal resources. Upon completion of the SA, AATAC will become a wholly-owned subsidiary of the Group.

**INFORMATION ON AATAC**

As at the date of this announcement, the issued and paid-up capital of AATAC is S$10 and represented by ten (10) ordinary shares. AATAC carries on the business of a licensed medical aesthetic clinic which provides medical aesthetic services and sale of aesthetic goods and products in Singapore.

AATAC has a negative shareholders' equity of S$69,510 and a net tangible liability value of S$593,375 as at 30 June 2016. Therefore, the negative book value and net tangible liability value of the Option Shares were S$20,853 and S$178,013 respectively as at 30 June 2016. As there is no open market for the Option Shares, there is no ascertainable open market value for the Option Shares.

**RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006**

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited are as follows:

| | | |
|---|---|---|
| (a) | The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets. | Not applicable as this transaction is not a disposal. |
| (b) | The net profits attributable to the assets acquired or disposed of, compared with the group's net profits. | Based on the share of loss incurred by AATAC of S$24,087 and the Group's loss before income tax of S$167,219 for the six months ended 30 June 2016, the relative figure is approximately 14.4%. |
| (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. | Based on the consideration of S$368,450 and the Company's market capitalisation of approximately S$28.9 million (determined by multiplying the total number of issued shares of Company (excluding treasury shares) of 390,488,125 shares and the volume-weighted average price of the Company's shares of S$0.074 on 27 January 2017, being the market day preceding the date of the SA), the relative figure is approximately 1.3%. |
| (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 as no equity securities issued. |
| (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 as not a mineral, oil and gas company. |

As the relative figure for Rule 1006(b) above exceeds 5% but is less than 75%, the acquisition of the Option Shares and the corresponding increase in the Group's interest in AATAC (from 70% to 100%) constitutes a discloseable transaction under Chapter 10 of the Catalist Rules.

## FINANCIAL EFFECTS

Assuming the acquisition of the Option Shares has been effected on 1 January 2015, it will not have any material effect on the earnings per share of the Group for FY2015. Assuming the acquisition of the Option Shares has been effected on 31 December 2015, it will not have any material impact on the net tangible assets per share of the Group as at 31 December 2015. There will be no material impact as the Group holds 70% interest of AATAC prior to this acquisition and accordingly, AATAC's income statement and balance sheet had been consolidated with the Group for FY2015.

## INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the transaction, other than through their shareholdings in the Company (if any).

## DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with this transaction.

## DOCUMENT FOR INSPECTION

The SA will be available for inspection during normal business hours at the Company's registered address at 350 Orchard Road, #08-00 Shaw House, Singapore 238868 for 3 months from the date hereof.

## FURTHER UPDATES

The Company will release such further announcements as may be necessary and/or appropriate to update shareholders of any material updates to the transaction.

**BY ORDER OF THE BOARD**

**Ms Foo Soon Soo**
**Company Secretary**

31 January 2017

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Xandar Capital Pte Ltd (the "**Sponsor**"), for compliance with the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements made, opinions expressed or reports contained in this announcement. This announcement has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume no responsibility for the contents of this announcement including the correctness of any of the statements made, opinions expressed or reports contained in this announcement.*

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