

ASX Announcement

7th November 2022

BOARD OF DIRECTOR APPOINTMENTS, NEW MANAGING DIRECTOR, NEW EXECUTIVE APPOINTMENTS AND CAPITAL RAISING

Key matters:

- **New Board appointments – Proposed appointment of Daniel Sims (Executive Chairman), Hamish Sprague (Executive Director), Angela Choong (Executive Director) and Robert McKenzie (Non-Executive Director).**
- **Executive appointments – Appointment of Hamish Sprague (Managing Director), Angela Choong (Chief Operating Officer) and C/Associate Professor Paul Moroz (Director of Medical Services).**
- **A\$3.0 million total capital raising, comprising A\$2.0m by a share placement (approximately a quarter of which is subject to shareholder approval) and a A\$1.0 million convertible note issue (subject to shareholder approval) to raise funds for working capital and business growth and reduce certain debt obligations.**
- **Reinvigoration of the Company’s medical services business.**
- **Company seeks reinstatement of trading on the Australian Securities Exchange (ASX).**

Asian American Medical Group Limited (**AAMG** or the **Company**) (ASX Code: AJJ) is pleased to announce that the Company has determined to appoint new directors to the Company’s Board, received commitments for the engagement of a new Managing Director and a new Executive Management team, and arranged \$3.0 million in new funding, to position the Company for a reinvigoration of its existing medical services business, conditional upon the proposed resumption of trading of the Company’s shares on the ASX.

Board and Executive Appointments

The following persons are to be appointed to the Board of Directors:

- Daniel Sims, Executive Chairman
- Hamish Sprague, Executive Director
- Angela Choong, Executive Director
- Robert McKenzie, Non-Executive Director

The appointments of new Directors are conditional on the Company's securities being reinstated to quotation on ASX (**Reinstatement**) and will take place when the Company receives ASX's determination on the Reinstatement.

Biographical details of the new Directors accompany this announcement.

The Company announces that Ms Jeslyn Jacques Wee Kian Leong will resign as a Non-Executive Director upon the appointment of the new directors at the Company's reinstatement and the Company takes this opportunity to thank Ms Leong for her services as a Director.

Mr Ang Kong Meng and Mr Evgenii Tugolukov remain on the Board as Non-Executive Directors.

Following these changes, the Board of AAMG will comprise on Reinstatement:

Daniel Sims	Executive Chairman
Hamish Sprague	Executive Director
Angela Choong	Executive Director
Ang Kong Meng	Non-Executive Director
Evgenii Tugolukov	Non-Executive Director
Robert McKenzie	Non-Executive Director

The Company notes that three of the six Directors of the re-constituted Board are Australian residents, addressing the requirement for the Company to have at least two Australian resident directors.

The Company proposes to issue ASX performance rights to existing and new Directors as part of their remuneration as Directors, subject to shareholder approval at the Company's forthcoming annual general meeting.

The Company also announces the following changes to its Executive Management team. Effective upon the Reinstatement, Mr. Hamish Sprague will become the Company's Managing Director and Ms. Angela Choong will become the Company's Chief Operating Officer. In addition, the Company is pleased to announce the appointment of leading Surgical Oncologist, C/Associate Professor Paul Moroz, as Director of Medical Services.

The new Executive Management team of AAMG will comprise on Reinstatement:

Hamish Sprague	Managing Director
Angela Choong	Chief Operating Officer
C/Associate Professor Paul Moroz	Director of Medical Services
Dario Nazzari	Company Secretary

Biographical details of C/Associate Professor Paul Moroz and key terms of employment of the Managing Director accompany this announcement.

Capital Raising – Placement of New Shares and Convertible Note Issue

The Company has entered into subscription agreements to raise capital through the placement of a total of 70,175,439 new fully paid ordinary shares in the Company (**New Shares**) to a sophisticated investor in Australia at an issue price of A\$0.0285 per New Share (**Placement**) and the issue of 1,000,000 convertible notes at a face value of \$1.00 each (**Convertible Notes**), raising a total of A\$3.0m million before transaction-related expenses.

The New Shares will rank pari passu with the Company's existing fully paid ordinary shares (**Shares**) on issue as at their date of issue. Upon completion of the Placement, the Company's issued share capital will increase from 382,528,029 Shares to 452,703,468 Shares.

The Placement is conditional on the Reinstatement.

The New Shares will be issued in three tranches as follows:

- Tranche 1 – 26,315,790 Shares to be issued on the Reinstatement (or within 5 business days following the Reinstatement) (**Tranche 1 Placement**);
- Tranche 2 – total of 25,847,088 Shares; to be issued in early December 2022 following the Reinstatement (**Tranche 2 Placement**); and
- Tranche 3 – 18,012,561 Shares; to be issued subject to shareholder approval at the annual general meeting (**Tranche 3 Placement**).

The Shares in the Tranche 1 Placement and Tranche 2 Placement are to be issued under the Company's remaining annual issuing capacities under ASX Listing Rule 7.1 and ASX Listing Rule 7.1. The issue of these Shares is conditional on the Reinstatement.

After the Tranche 1 and Tranche 2 Placements have completed, the Company will have issued share capital of 434,690,907 Shares and the new investor will have 52,162,878 Shares being 12.0% of the total increased Shares.

The Convertible Notes will be issued on the key terms outlined below.

The Company is also proposing to issue up to approximately 53.15 million performance rights to the existing Directors, new Directors, executive management, new investor and advisors, subject to shareholder approval at the Company's forthcoming annual general meeting (**AGM**). The Company will convene its AGM to approve the Tranche 3 Placement, the issue of Convertible Notes and the proposed issue of performance rights shortly, with the issue of Tranche 3 Placement Shares and Convertible Notes anticipated to be completed in December 2022.

Assuming shareholder approval of the Tranche 3 Placement and the issue of ASX performance rights to the Directors, executive management, new investor and advisors, the new investor's Shares will represent approximately 13.8% of the fully diluted capital of the Company.

The issue price of A\$0.0285 per Share is 75.0% of A\$0.038, being the closing price of the Shares when last traded on the ASX on 23 November 2021. The issue price of A\$0.0285 is also greater than 75.0% of the 15-day volume weighted average price of Shares traded on the ASX before the suspension of trading on 23 November 2021.

The net proceeds from the Placement will be used to reduce existing business liabilities and provide working capital, as detailed below.

The New Shares and the Convertible Notes are to be issued to Saorsa Health No.1 Pty Ltd (or its nominee), a sophisticated investor, who is also not a related party of the Company or associates of its Directors.

Of the Tranche 1 and Tranche 2 Placements, 17,387,638 Shares will be issued under the Company's remaining 15% annual issuing capacity under ASX Listing Rule 7.1 and 34,775,240 Shares will be issued under the Company's additional 10% issuing capacity under ASX Listing Rule 7.1A, which was approved at the Company's 2021 Annual General Meeting.

The Placement and Convertible Note issue have been arranged by Durant Wyot Capital, pursuant to a capital raising engagement with the Company. Durant Wyot Capital will be paid a fee of 5.0% of all monies raised under the Capital Raising.

Use of funds

The table below sets out the intended use of funds raised under the Placement:

Sources of funds	\$
Current cash at bank	\$755,000
Funds raised under the Tranche 1 and Tranche 2 Placement	\$1,486,642
Funds raised under the Tranche 3 Placement and Convertible Note issue (subject to shareholder approval)	\$1,513,358
Total funds available	\$3,755,000
Use of funds	
Settlement of debt - Parkway Hospital (Singapore) for rental and hospital procedures arrears	\$757,828
Settlement of debt - Kings College London	\$170,000
Capital raising and legal expenses	\$250,000
Working capital / cash in bank	\$2,577,172
Total use of funds	\$3,755,000

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Convertible Note terms

The Convertible Notes will be issued on the key terms outlined below.

Issue amount:	\$1,000,000. 1,000,000 notes at a face value of \$1.00 each.
Status:	Unsecured, non-transferable, un-quoted.
Conditions:	Shareholder approval of issue within 60 days.
Maturity date:	12 months from issue. Maturity date may be extended by up to 12 months at election of noteholder.
Interest:	6.35% interest rate. Interest capitalised and payable on conversion or redemption.
Conversion terms:	Notes convertible to shares at 120.0% of face value of notes (plus accrued interest) at a share issue price of 90.0% of 60-day VWAP of shares traded on ASX prior to conversion.
Redemption:	Redemption at 115.0% of face value of notes (plus accrued interest), by agreement of Company and noteholder only (or in event of default by Company).
Default terms:	Standard default terms for any failure to convert/redeem or insolvency by Company.

Reinvigoration of the Company's Singapore medical business operations

The Company, its Board of Directors and new Executive Management team will be committed to the current Singapore medical services business and will be implementing strategic medical services changes and upgrades to the Company's historical focus on live liver transplants only.

After the new funding is completed and after clearing the Parkway Hospital and Kings College (London) current liabilities, the Company will have sufficient current working capital funds available to introduce and implement the following expanded new medical services platforms:

1. AAMG International Transplant & Cancer Care Centre (ITCC)
In Memory of Dr Tan Kai Chah

ITCC will offer a full spectrum of surgical care for advanced stage cancers, including:

- Living donor liver transplants with hepatology support
- Living donor kidney transplants with nephrology support
- Oncologic liver surgery
- Peritonectomy and Hyperthermic Intraperitoneal Chemotherapy
- Radiation and Medical Oncology (through an existing Singapore hospital provider)

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2. **AAMG International Bariatric & Cosmetic Rectification Surgery Centre (IBCR)**

IBCR will offer health and lifestyle surgery solutions, including:

- Bariatric surgery (obesity)
- Plastic surgery – skin reduction and cosmesis, post bariatric surgery procedures
- Plastic Surgery - post-major cancer surgery & major injury, scar tissue rectification

New International Medical Specialists Involvement

The Company has been actively engaging with a number of internationally accredited and recognised cancer care medical specialists and surgeons in Australia, Asia and the USA to join the Company's new ITCC and IBCR medical services businesses.

Based on the engagement to date, the Company anticipates that new medical professionals will join its new ITCC and IBCR medical services businesses in the coming months.

Equity incentives

The Company is considering the establishment of an equity incentive scheme (**EIS**) for the issue of equity securities and incentives to Directors, officers, executives, employees and contractors of the Company. The establishment of the EIS will be subject to shareholder approval at a future general meeting of the Company.

Subject to shareholder approval at the Company's annual general meeting, the Company proposes to issue up to approximately 53.15 million performance rights to Directors, executive management, the new investor, and advisors.

Of the performance rights, a total of approximately 26.2 million performance rights are proposed to be granted to the Company's existing Directors and new Directors.

The performance rights are proposed to be issued on the following key terms outlined below:

Condition for issue:	Shareholder approval of the issue in accordance with the requirements of the Listing Rules and the Corporations Act.
Vesting conditions:	Satisfaction of both of the following conditions at the end of or during the period 3 years after the date of grant: <ul style="list-style-type: none"> (i) the volume weighted average price (VWAP) of Shares traded on ASX for a period of 60 consecutive trading days is \$0.057 or more; and (ii) revenue from ordinary operations as reported to ASX to exceed \$1,584,750 for each of two consecutive quarters.

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Entitlement:	Each vested performance right entitles the holder of that right to be issued with one Share.
Expiry:	4 years from the date of issue.
Status:	Non-transferable; not quoted on ASX.

Discussions with Parkway Hospital (“Parkway”) on Amount Owed to Parkway

Since the Company’s announcement on 26 April 2022, the Company has had a number of discussions with Parkway to settle the amount owed to Parkway of \$757,828 for hospital medical procedure fees and rental arrears at the former premises of the Company’s subsidiary, Asian America Liver Centre Pte Ltd (AALC). Over this time, the Company has made several requests to Parkway for deferred payment on the total amount owed of \$757,828, which have been granted by Parkway. Parkway has been made fully aware that the Company’s ability to pay the amount owed is contingent on the Capital Raising (which in turn is contingent on the Reinstatement).

On 27 October 2022, Parkway requested certain documents by 3 November 2022 regarding the Company’s current Capital Raising. The Company has not been able to meet Parkway’s timetable, but it does intend to provide the requested information to Parkway once the response to the Company’s request for Reinstatement is known.

The Company has an existing current understanding with Parkway that it will make an initial payment of \$300,000 from the tranche 1 placement funds (\$750,000) upon Reinstatement. And the balance of the amounts owing of \$457,828 to be paid in full upon the completion of the Company’s current Capital Raising.

At this time, Parkway has reserved its rights to immediately seek full payment of the amount owed.

DBS Bank (Singapore)

The Company has a S\$710,422 working capital loan facility with DBS Bank that was personally guaranteed by Dato Dr Tan Kai Chah (now deceased). Upon the passing of Dr Tan Kai Chah, the bank requested a replacement corporate guarantor for the loan facility.

The Company has reached an agreement with DBS Bank to make a monthly principal and interest (P&I) payment of S\$17,528, until a suitable replacement corporate guarantor can be found. The Company is currently making these monthly DBS Bank payments.

Reinstatement and resumption of trading on ASX

The Company has applied to ASX for reinstatement of its securities to trading on the ASX as soon as possible following release of this announcement to the ASX.

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The Reinstatement is subject to the discretion of ASX and the Company satisfying ASX that it complies with the Listing Rules. The Company is awaiting a determination from ASX and will inform the market of the ASX's determination and the date on which the Reinstatement will occur (assuming ASX determines to reinstate quotation of the Company's securities).

Authorised for release by the Board



DARIO NAZZARI
Company Secretary

About Asian American Medical Group

Singapore-based and Australian Securities Exchange-listed Asian American Medical Group Limited (AAMG) operates a leading liver transplant centre in Singapore. Its surgical services will be expanded to include kidney transplants, peritonectomy surgery, bariatric surgery and plastic surgery. Established in 1994, Asian American Liver Centre was founded by renowned hepatobiliary expert and liver transplant surgeon, Dato' Dr Tan Kai Chah (now deceased). Dr Tan helped start the Liver Transplant Programme at the King's College Hospital London and pioneered the Living Donor Liver Transplantation Programme in Singapore.

AAMG also historically provided healthcare management and consultancy services for international healthcare projects. For further information, please visit: www.aamg.co

For further information, please contact:

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FURTHER INFORMATION ACCOMPANYING ASX RELEASE

Biographical details of new Directors and Executive team

Details of the Company's new Directors and Executive team (to be appointed) are as follows:

Daniel Sims, Executive Chairman BS-Accounting, Former CPA

Daniel Sims was the CEO of Ramsay Health Care's Australian operations from January 2015 to October 2020. Ramsay Health Care is the leading operator of private hospitals in Australia with 72 hospital facilities and annual revenues of AU\$5+ billion. Prior to his appointment as CEO, Mr. Sims was the Chief Operating Officer of Ramsay's Australian and Asian operations from July 2008 to January 2015. In this role, he was ultimately responsible for the operating performance and strategic direction of Ramsay's hospital businesses in Australia, Indonesia and Malaysia.

Mr Sims was President of the Australian Private Hospital Association (APHA) from 2016 to 2020 and served on its Board from 2007 to 2020. From 1 January 2016 to 31 December 2020, Mr. Sims was a Board member of HESTA, an \$AU50+ billion Australian superannuation fund. During his last four years with HESTA, Mr. Sims was also a member of the HESTA Audit and Risk Committee. Mr Sims is a former Board member of Ramsay Sime Darby Health Care and former Chairman of the Ramsay Australia Risk Management Committee. In addition, Mr. Sims was Chairman of the Board of the Ramsay Hospital Research Foundation, a not-for-profit medical research foundation, from its inception in 2015 to 2021.

Hamish Sprague, Managing Director BCom (Finance), ACA

Hamish Sprague completed a Bachelor of Commerce (Finance) from the University of Western Australia, where he was awarded a University Blue. He commenced his professional career at Ernst & Young, before joining Paul Ramsay's Private Investment Company, Paul Ramsay Holdings, (Ramsay Healthcare) in an Executive Role, where he worked for 10+ years.

Mr Sprague has recently worked as a Corporate Advisor Strategy Consultant & Implementer in the Healthcare Sector, successfully involved in, and completing Corporate Growth Strategies & Healthcare Transactions in Australia, Asia & USA.

Angela Choong, Executive Director and Chief Operating Officer CA (S'pore), FCMA (U.K.)

Angela Choong joined the Company as its Chief Commercial Officer in August 2015 and was promoted to Group Chief Financial Officer in February 2020.

Ms Choong has more than 25 years of regional business experience with a strong track record in operations, finance and risk management in Southeast Asia and China. She is a fellow member of the Institute of Singapore Chartered Accountants and the Chartered Institute of Management Accountants in the UK.

Robert McKenzie, Non-Executive Director BJuris, LLB, FAICD

Rob McKenzie has extensive experience as a corporate and dispute resolution lawyer and is a director of McKenzie Moncrieff Consulting and counsel at Blackwall Legal LLP.

He was a partner of a major national law firm, Clayton Utz, and its predecessor firms culminating in being national head of reconstruction. He was also a partner and board member of Jackson McDonald, Western Australia's largest independent law firm.

He is a director of Keystart Loans Ltd, owned by the WA Housing Authority, where he chairs the risk committee. He is also the chair of the Perron Institute for Neurological and Translational Science. He is additionally a director of the Australian Institute of Neuro-Rehabilitation.

Rob is a member of the Australian Federal Government Takeovers Panel which adjudicates disputes in company takeover matters.

He has acted or acts for a range of major accounting firms, financiers, developers, ASX listed public and major private companies and government agencies in a wide range of industries on complex corporate matters.

He has been a director of the West Coast Eagles and Black Swan State Theatre Company Ltd and a Commissioner of the WA Football Commission.

C/Associate Professor Paul Moroz, Director of Medical Services BSC(HONS), MBBS PHD(DIST), FRACS

C/Associate Professor Moroz is a fellow of the Royal Australasian College of Surgeons and a leading surgical oncologist specialising in cytoreductive surgery (peritonectomy) and hyperthermic peritoneal chemotherapy for the treatment of peritoneal malignancy and also in oncologic liver surgery. C/Associate Professor Moroz completed post-fellowship training in both Peritonectomy and Liver Surgery at St George Hospital in Sydney in 2007, and now has over 14 years of clinical experience in these specialities, with over eight years of directorship of the Western Australian Peritonectomy Service.

C/Associate Professor Moroz also holds degrees in mathematics, chemistry and a PhD from the University of Western Australia in the field of liver cancer and has been published widely in this area. He is involved in cutting edge research into novel treatments for liver tumours, haematologic dialysis and the development of implantable medical devices.

Executive Services Agreement for Managing Director

The Company proposes to enter into an Executive Services Agreement with Hamish Sprague for his employment as Managing Director. The key terms of employment will be as follows:

- Mr Sprague is to be employed as the Managing Director of the Company on a full-time basis.
- The Managing Director's responsibilities include the management of the business, operational and financing activities of the Company; the day-to-day corporate and administrative affairs of the Company; the planning and implementation of the Company's operational growth strategies and any other duties allocated to him by the Board.
- The Managing Director is to report to the Board and is subject to the Board's direction.
- Annual base salary of A\$425,000 per annum plus statutory superannuation entitlements,
- The issue of performance rights to the Managing Director as an equity incentive, subject to shareholder approval at a general meeting of the Company's shareholders.
- The Managing Director must keep information regarding the Company received in the course of his employment confidential, except if disclosure is required by law, the information becomes public without breach by the Managing Director, or the Company provides its prior written consent.
- The Company or the Managing Director may terminate the Managing Director's employment on giving 6 months' prior written notice. The Company may make payment in lieu of notice.
- The Company may terminate the Managing Director's employment immediately for matters which include the Managing Director's serious misconduct, breach of duties or bankruptcy, or if he is physically or mentally unfit to attend to his duties over 3 consecutive months (or 3 non-consecutive months in a 12-month period).

The agreement will otherwise contain terms and conditions considered customary for an executive services agreement of this nature.