

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

(Registration No.: 201304341E)
(Incorporated in the Republic of Singapore)

PROPOSED ADOPTION OF SHARE BUY-BACK MANDATE

1. INTRODUCTION

- 1.1. The Board of Directors (“**Board**”) of International Healthway Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Board proposes to seek shareholders’ approval to grant to the Company a general and unconditional mandate to authorise the Directors to exercise all the powers of the Company to purchase, on behalf of the Company, issued ordinary shares (“**Shares**”) of the Company in accordance with the terms of the mandate and the rules and regulations of the Companies Act (Cap. 50) of Singapore (the “**Act**”) and the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Listing Manual**”) (the “**Share Buy-Back Mandate**”).
- 1.2. The approval of shareholders of the Company (“**Shareholders**”) will be obtained by the Company for the proposed adoption of the Share Buy-Back Mandate.

2. RATIONALE FOR THE SHARE BUY-BACK MANDATE

The Company proposes to adopt the Share Buy-Back Mandate, authorising the Company the flexibility and approval to purchase or acquire its own Shares (each, a “**Share Purchase**”) during the period when the Share Buy-Back Mandate is in force and within the terms of the proposed Share Buy-Back Mandate and applicable laws, rules and regulations, for the following reasons:

- (a) The Share Buy-Back Mandate gives the Company the flexibility to purchase the Shares if and when circumstances permit. The Directors believe that Share Purchases would also allow the Company and its Directors to better manage the Company’s share capital structure, dividend payout and cash reserves. A Share Purchase made at an appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.
- (b) The Share Buy-Back Mandate will provide the Company with a mechanism to facilitate the return of surplus cash over and above the Group’s ordinary capital requirements in an expedient and cost-efficient manner. Share Purchases also provide the Directors the opportunity to exercise control over the Company’s capital share structure with a view to enhancing the earnings per Share and/or net tangible assets per Share.
- (c) The Company may undertake Share Purchases to mitigate short-term market volatility (by way of stabilising the supply and demand of issued Shares) and offset the effects of short term speculation and bolster shareholders’ confidence.

3. MAXIMUM PURCHASE PRICE

The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) to be paid by the Company for the Shares will be determined by the Directors and must not exceed:

- (a) in the case of an on-market purchases through the SGX-ST’s ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose

("Market Purchase"), 105.0% of the Average Closing Price (as defined hereinafter) of the Shares; and

- (b) in the case of an off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Listing Manual ("Off-Market Purchase") pursuant to an equal access scheme, 120.0% of the Average Closing Price (as defined hereinafter) of the Shares,

(the "Maximum Price") in either case, excluding related expenses of the Share Purchase.

For the purposes of determining the Maximum Price:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, preceding the date of the making of an offer for an Off-Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period.

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the Share Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

4. SHAREHOLDERS' APPROVAL AND EXTRAORDINARY GENERAL MEETING

It is a requirement under the Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of shareholders. It is also a requirement under the Listing Manual that an issuer which wishes to purchase its own shares should obtain prior approval of its shareholders in a general meeting.

As such, an extraordinary general meeting ("EGM") will be convened by the Company to obtain the approval of Shareholders, and a circular will be sent to Shareholders in due course to provide further information on the EGM and the proposed adoption of the Share Buy-Back Mandate, including the terms, authority and limits of the Share Buy-Back Mandate.

By Order of the Board

Fan Kow Hin
Chief Executive Officer
5 October 2015

This announcement has been prepared by International Healthway Corporation Limited (the "Company") and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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