

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

Registration No.:201304341E

(Incorporated in the Republic of Singapore)

(In receivership over charged shares in certain subsidiaries)



UPDATE TO SHAREHOLDERS

– Change of Shareholding Event under the Multicurrency Medium Term Note Programme

I. CHANGE OF SHAREHOLDING EVENT

Reference is made to Section E (*Multicurrency Medium Term Note Programme*) of the Company's announcement dated 8 February 2017 ("**8 February Announcement**"). Capitalised terms used herein and not otherwise defined shall have the meaning ascribed to it in the 8 February Announcement.

As mentioned in the 8 February Announcement, the Company was ascertaining whether a change of shareholding event has occurred under the MTNs arising from the disposal of shares by Mr Fan Kow Hin ("**FKH**") on 23 January 2017. Under the terms of the MTNs, a change of shareholding event occurs where there has been a change in the interests of Messrs FKH, Aathar Ah Kong Andrew ("**AAK**") and Jong Hee Sen ("**JHS**") and their immediate family members in the shares of the Company, such that their aggregate interest falls below 30 per cent. of the issued share capital of the Company.

For reference, the relevant provision, being paragraph 5(e)(ii) of the terms and conditions of the MTNs as set out in Schedule 1 Part II of the trust deed dated 23 January 2015 in respect of the Company's MTNs ("**Trust Deed**"), has been extracted and set out below:

*"If, for any reason, a Change of Shareholding Event occurs, the Issuer will within seven days of such occurrence give notice to the Noteholders of the occurrence of such event (the "**Notice**") and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to the date fixed for redemption, on the date falling 60 days from the date of the Notice (or if such date is not a business day, on the next day which is a business day). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Principal Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent or the Issuer (as applicable), no later than 15 days from the date of the Notice. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.*

For the purposes of this Condition 5(e)(ii):

- (1) a "**Change of Shareholding Event**" occurs when Fan Kow Hin, Aathar Ah Kong Andrew and Jong Hee Sen and their Immediate Family Members cease to own in aggregate (whether directly or indirectly) at least 30 per cent. of the issued share capital of the Issuer; and*
- (2) "**Immediate Family Members**" means Fan Kow Hin, Aathar Ah Kong Andrew and Jong Hee Sen's respective father, mother, siblings, wife, son(s) and daughter(s)."*

On 17 February 2017, Mr Fan submitted a Form 3 notifying the Company that his interest in the Company had fallen from 13.4% to 4.67%. To-date, the Company has only received confirmation from JHS that his interest in the Company has not changed. The Company has not received any similar confirmation from AAK, nor any notice of change in interest in the Company from AAK or JHS.

Further, as announced on 16 February 2017 (such announcement, the "**Offer Announcement**"), the offeror of the mandatory unconditional cash offer, Treasure International Holdings Pte. Ltd ("**Offeror**") together with parties acting in concert with it will hold an aggregate of 955,674,037 Shares, representing approximately 57.60% of all the Shares in the capital of the Company upon completion of the Offeror's purchase of an aggregate of 593,470,029 Shares from Ching Chiat Kwong, Low See Ching, Low Bee Lan Audrey and Tee Wee Sien, representing 35.77% of all the Shares in the capital of the Company.

In light of the abovementioned circumstances, the Company wishes to announce that it is of the view that a change in shareholding event under the MTNs has occurred, and noteholders are entitled at their option to redeem their MTNs in the manner provided for under the Trust Deed ("**Redemption Event**").

II. REDEMPTION OF MTNS

Notice of the Redemption Event shall be deemed to be given to noteholders on 17 February 2017 ("**Notice Date**") pursuant to the Trust Deed.

To exercise an option for redemption, a noteholder must deposit his/her MTN and all unmatured coupons, together with a duly completed option exercise notice, with Deutsche Bank AG, Singapore Branch ("**Principal Paying Agent**") at One Raffles Quay, #16-00 South Tower, Singapore 048583 **by 4 March 2017** (being 15 days from the Notice Date). The option exercise notice can be obtained from the Principal Paying Agent or the Company.

Subject to fulfillment of the abovementioned requirements, the Company is obliged to redeem the relevant MTNs on 18 April 2017 ("**Redemption Date**"), being the date falling 60 days from the Notice Date.

III. CAUTIONARY NOTE

Investors should note that given the current status of the Company's financials and cash flow position, in the event the Company is not able to obtain funding to meet its payment obligations under the Redemption Event on the Redemption Date, the Company may not be able to continue as a going concern.

The Company will approach and engage the noteholders as well as the Offeror in relation to the Redemption Event.

IV. FURTHER UPDATES

In view of the Redemption Event, the Company has requested for the conversion of its trading halt to a voluntary trading suspension. The Board will continue to keep shareholders updated on any subsequent material developments. Shareholders should exercise caution when trading in the

Company's shares. In the meantime, persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

V. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company (including those who have been delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement), the sole responsibility of the Directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement.

By Order of the Board

Tay Eng Kiat Jackson
Director
17 February 2017

*This announcement has been prepared by 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.*

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.