VOLUNTARY CONDITIONAL CASH OFFER

by

RHB SECURITIES SINGAPORE PTE. LTD.
(Company Registration No.: 198701140E)
(Incorporated in the Republic of Singapore)

for and on behalf of
GENTLE CARE PTE. LTD.
(Company Registration No.: 201625374Z)
(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of

HEALTHWAY MEDICAL CORPORATION LIMITED
(Company Registration No.: 200708625C)
(Incorporated in the Republic of Singapore)

including all those owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror

VOLUNTARY CONDITIONAL CASH OFFER FOR T1 CN B NOTES

1. INTRODUCTION

RHB Securities Singapore Pte. Ltd. ("**RHBSEC**") refers to:

(i) the offer announcement (the "**Offer Announcement**") dated 7 February 2017 (the "**Offer Announcement Date**") in connection with the voluntary conditional cash offer (the "**Offer**") by RHBSEC, for and on behalf of Gentle Care Pte. Ltd. (the "**Offeror**")[1], for all the issued and paid-up ordinary shares (the "**Shares**") (which shall, for the avoidance of doubt, include any Shares issued pursuant to the exercise of instruments convertible into, rights to subscribe for, and options in respect of, Shares, convertible securities or securities which carry voting rights during the offer period) in the capital of Healthway Medical Corporation Limited (the "**Company**"), including all the Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror (the "**Offer Shares**");

(ii) the offer document dated 28 February 2017 (the "**Offer Document**") issued by RHBSEC, for and on behalf of the Offeror, in connection with the Offer;

(iii) the announcement dated 28 February 2017 issued by RHBSEC, for and on behalf of the Offeror, relating to the despatch of the Offer Document;

[1] The Offeror is a wholly-owned subsidiary of Valiant Leader Limited, and an indirect subsidiary of each of Tamsett Holdings Limited, Rickon Holdings Limited, Lippo China Resources Limited, Skyscraper Realty Limited, First Tower Corporation, Lippo Limited and Lippo Capital Limited.

(iv) the announcement dated 24 March 2017 issued by the Company where the Company announced, *inter alia*, that it has as of 24 March 2017 issued S$10 million in the T1 CN B (as defined below) to GW Active Limited ("**GW Active**") pursuant to the subscription agreement entered into on 16 January 2017 between the Company and GW Active and an amendment and restatement agreement entered into on 23 March 2017 between the Company and GW Active; and

(v) the announcement dated 27 March 2017 (the "**Extension Announcement**") issued by RHBSEC, for and on behalf of the Offeror, in relation to the extension of the closing date of the Offer from 5.30 p.m. (Singapore time) on 28 March 2017 to 5.30 p.m. (Singapore time) on 2 May 2017 or such later date(s) as may be announced from time to time by or on behalf of the Offeror ("**Closing Date**").

All capitalised terms used and not defined herein shall have the same meanings given to them in the Offer Document, unless otherwise expressly stated or the context otherwise requires.

2. THE OFFER

RHBSEC, for and on behalf of the Offeror, has offered to acquire all the Offer Shares on the terms and subject to the conditions set out in the Offer Document (including the accompanying FAA and/or the FAT, as the case may be).

2.1 Terms of the Offer

2.1.1 **Offer Price.** The price for each Offer Share is S$0.042 in cash (the "**Offer Price**").

2.1.2 The Offer Shares are to be acquired (a) fully paid, (b) free from all liens, equities, mortgages, pledges, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**Encumbrances**"), and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights, other distributions and return of capital ("**Distributions**") (if any) which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).

If any Distribution is announced, declared, paid or made by the Company on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such Distribution paid or made by the Company to such Shareholders who accept or have accepted the Offer.

2.1.3 The Offer will be extended to all Offer Shares and, on the same terms and conditions, to all new Shares unconditionally issued or to be issued prior to the close of the Offer pursuant to the valid conversion of any Convertible Notes prior to the Closing Date.

For the purpose of the Offer, the expression "**Offer Shares**" shall include the aforesaid new Shares.

3. T1 CN B NOTES OFFER

3.1 T1 CN B

The Company had on 17 January 2017, 19 January 2017, 6 February 2017, 13 February 2017, 24 February 2017, 11 March 2017, 23 March 2017, 24 March 2017, 31 March 2017 and 4 April 2017 announced (the "**CN Announcements**") the proposed issuance of notes pursuant to a

subscription agreement entered into on 16 January 2017 with GW Active ("**Subscription Agreement**") and an amendment and restatement agreement entered into with GW Active on 23 March 2017 in respect of the Subscription Agreement, comprising S$70 million in convertible notes ("**CN B**") (with a conversion price of S$0.03384 per Share (the "**Conversion Price**")). The CN B will be issued in two tranches, with the first tranche of CN B ("**T1 CN B**") comprising a principal amount of S$10 million, and the second tranche of CN B ("**T2 CN B**") comprising a principal amount of S$60 million. For further details of the CN B, please refer to the CN Announcements.

The Company had on 24 March 2017 issued the T1 CN B to GW Active (the "**T1 CN B Issuance Date**") and based on the information available to the Offeror as at 5 April 2017 (being the latest practicable date prior to the printing of the T1 CN B Notes Offer Letter (as defined below)), the Company has an outstanding aggregate of S$10 million T1 CN B in principal amount, which are convertible at the Conversion Price, such conversion being subject to adjustments in accordance with the terms and conditions of the T1 CN B.

3.2 **T1 CN B Notes Offer Letter**

As announced by the Offeror in the Extension Announcement, subject to the detailed review of the documentation relating to the CN B and any relevant clearances, RHBSEC, for and on behalf of the Offeror, will be making an appropriate offer to GW Active or such other transferee(s) pursuant to a valid transfer of the CN B by GW Active (the "**Noteholder**") (where any CN B are issued) to acquire the CN B ("**CN B Notes Offer**"), other than those already owned, controlled or agreed to be acquired by the Offeror, in accordance with the terms and subject to the conditions set out in the Offer Document (where applicable), the formal offer letter containing the terms and conditions of the CN B Notes Offer ("**CN B Notes Offer Letter**") to the Noteholder and the Form of Acceptance and Transfer in respect of the CN B Notes Offer (where applicable), which forms part of the CN B Notes Offer Letter.

As the T1 CN B has been issued to the Noteholder following the Latest Practicable Date of the Offer Document (being 21 February 2017), RHBSEC, for and on behalf of the Offeror, has on 6 April 2017 despatched a notes offer letter in respect of the T1 CN B ("**T1 CN B Notes Offer Letter**"), the Form of Acceptance and Transfer in respect of the T1 CN B Notes Offer (as defined herein) and the notification letter and form of transfer annexed thereto, which form part of the T1 CN B Notes Offer Letter. The purpose of the T1 CN B Notes Offer Letter is to formally make an offer to the Noteholder in respect of the T1 CN B (the "**T1 CN B Notes Offer**").

3.3 **Terms of the T1 CN B Notes Offer**

The salient terms of the T1 CN B Notes Offer are set out below.

3.3.1 **T1 CN B Notes Offer Price.** The Noteholder, if it validly accepts the T1 CN B Notes Offer, will receive cash consideration for such acceptance. The offer price for the T1 CN B (the "**T1 CN B Notes Offer Price**") will, in accordance with Note 1(a) on Rule 19 of the Code, be a fixed "see-through" price, being the Offer Price for one (1) Offer Share multiplied by the number of Shares (rounded down to the nearest whole number) into which the relevant principal amount of the T1 CN B may be converted at the Conversion Price of S$0.03384 per Share (the "**Conversion Ratio**"). In the event the Conversion Ratio is or will be adjusted in accordance with the terms and conditions of the T1 CN B, the Offeror reserves the right to adjust the T1 CN B Notes Offer Price subject to consultation with the Securities Industry Council (the "**SIC**").

The actual T1 CN B Notes Offer Price payable to the Noteholder for the acceptance of the T1 CN B Notes Offer will be determined based on the total principal amount of the T1 CN B that are tendered by the Noteholder in acceptance of the T1 CN B Notes Offer.

For purely illustrative purposes only, based on the Conversion Price, assuming the aggregate principal amount of the T1 CN B tendered in acceptance of the T1 CN B Notes Offer is S$10,000,000, the aggregate T1 CN B Notes Offer Price will be approximately S$12,411,348 in cash (the illustrative calculation is as follows):

Number of Shares which may be converted (rounded down to nearest whole number):

$$\frac{\text{S\$10,000,000}}{\text{S\$0.03384}} = 295{,}508{,}274$$

T1 CN B Notes Offer Price payable:

$$295{,}508{,}274 \times \text{S\$0.042} = \text{S\$12,411,348}$$

3.3.2 The T1 CN B are to be acquired (i) fully paid-up, (ii) free from all Encumbrances, and (iii) together with all rights, benefits and entitlements attached thereto as at the T1 CN B Issuance Date, and thereafter attaching thereto (including the right to receive and retain all interest, payment, right or other distribution which may accrue, or be announced, declared, paid or made thereon by the Company on or after the T1 CN B Issuance Date).

Where applicable, in the event any interest, payment, right or other distribution is announced, declared, paid or made on the T1 CN B on or after the T1 CN B Issuance Date, the Offeror reserves the right to reduce the T1 CN B Notes Offer Price by the amount of such interest, payment, right or other distribution paid or made to the Noteholder in respect of the T1 CN B tendered in acceptance of the T1 CN B Notes Offer.

3.3.3 **Conditional T1 CN B Notes Offer.** The T1 CN B Notes Offer will be conditional upon the Offer becoming or being declared unconditional in all respects and the T1 CN B continuing to be transferable (subject to the terms of the T1 CN B and any other applicable restrictions) and convertible into new Shares. If the Offer lapses or is withdrawn or if the relevant T1 CN B cease to be transferable or convertible into Shares, the T1 CN B Notes Offer shall lapse accordingly.

3.3.4 **Offer and T1 CN B Notes Offer Mutually Exclusive.** For the avoidance of doubt, whilst the T1 CN B Notes Offer is conditional upon the Offer becoming or being declared unconditional in all respects, the Offer will not be conditional upon acceptances received in relation to the T1 CN B Notes Offer. The Offer and T1 CN B Notes Offer are separate and are mutually exclusive. The T1 CN B Notes Offer does not form part of the Offer, and *vice versa*.

Without prejudice to the foregoing, if the Noteholder wishes to convert its T1 CN B in order to accept the Offer in respect of the new Shares to be issued pursuant to such conversion, it may not accept the T1 CN B Notes Offer in respect of such T1 CN B. Conversely, if the Noteholder wishes to accept the T1 CN B Notes Offer in respect of its T1 CN B, it may not convert those T1 CN B in order to accept the Offer in respect of the new Shares to be issued pursuant to such conversion.

3.3.5 **Further Offer for T2 CN B.** The Company had on 31 March 2017 and 4 April 2017 announced that the Company has received the Listing and Quotation Notice from the SGX-ST for the listing and quotation of up to 1,773,049,645 Shares to be issued pursuant to the conversion of S$60 million in principal amount of T2 CN B at the Conversion Ratio, subject to (i) compliance with the SGX-ST's listing requirements; and (ii) Shareholders' approval being obtained at an extraordinary general meeting to be convened. A further offer will be made to acquire the T2 CN B if any T2 CN B is issued during the Offer Period, being the period from the Offer Announcement Date until the date the Offer is declared to have closed or lapsed.

3.3.6 **Timelines.** The T1 CN B Notes Offer shall be based on the timelines stipulated in respect of the Offer. As announced in the Extension Announcement, the Closing Date of the Offer has been extended to 5.30 p.m. (Singapore time) on 2 May 2017 or such later date(s) as may be announced from time to time by or on behalf of the Offeror. For further details, the Noteholder should refer to Appendix IV ("*Details of the Offer*") and Appendix V ("*Procedures for Acceptance*") of the Offer Document.

3.3.7 **Right of Withdrawal.** Except as expressly provided in the Offer Document, the T1 CN B Notes Offer Letter and the Code, acceptances of the T1 CN B Notes Offer shall be irrevocable.

A Noteholder who accepts the T1 CN B Notes Offer will be entitled to withdraw his acceptance after 14 days from the first Closing Date, if the Offer has not by then become unconditional as to acceptances. Such entitlement to withdraw will be exercisable until the Offer becomes or is declared to be unconditional as to acceptances.

In a competitive situation, if one offer becomes unconditional as to acceptances, then a Noteholder who has tendered his acceptance for the other convertible notes offer (where applicable) (the "**Unsuccessful Notes Offer**") can, if they wish, immediately withdraw their acceptances for the Unsuccessful Notes Offer.

4. COMPULSORY ACQUISITION

As the relevant provisions of the Companies (Amendment) Act 2014 have come into force, Section 215 of the Companies Act is now extended to include "units of shares", including without limitation, the T1 CN B. Accordingly, if the Offeror acquires not less than 90% of the outstanding total principal amount of the T1 CN B as at the close of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the T1 CN B Notes Offer), the Offeror will be entitled to compulsorily acquire all the T1 CN B of the Noteholders who have not accepted the T1 CN B Notes Offer at a price equal to the T1 CN B Notes Offer Price.

Pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such total principal amount of T1 CN B which, together with the T1 CN B held by it, its related corporations and their respective nominees, comprise 90% or more of the outstanding total principal amount of the T1 CN B as at the close of the Offer, Noteholders who have not accepted the T1 CN B Notes Offer will have a right to require the Offeror to acquire their T1 CN B at the T1 CN B Notes Offer Price. Such Noteholders who wish to exercise such a right are advised to seek their own independent legal advice.

5. OVERSEAS NOTEHOLDERS

The availability of the T1 CN B Notes Offer to Noteholders whose addresses are outside Singapore, as shown on the register of noteholders (each, an "**Overseas Noteholder**") may be affected by the laws of the relevant overseas jurisdictions. You are advised to refer to the section entitled "Overseas Shareholders and Noteholders (Where Applicable)" of the Offer Document for details.

6. RESPONSIBILITY STATEMENT

The directors of the Offeror (including any who may have 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 there are no material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

The directors of the Offeror jointly and severally accept full responsibility accordingly.

Issued by
RHB SECURITIES SINGAPORE PTE. LTD.

For and on behalf of
GENTLE CARE PTE. LTD.

6 April 2017

Any inquiries relating to this Announcement or the Offer should be directed during office hours to:

RHB Securities Singapore Pte. Ltd.

Tel: (65) 6232 3696

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor RHBSEC undertakes any obligation to update publicly or revise any forward-looking statements.