

**INTERNATIONAL HEALTHWAY CORPORATION LIMITED**  
(Registration No.: 201304341E)  
(Incorporated in the Republic of Singapore)

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**PROPOSED ACQUISITION OF HEALTHWAY MEDICAL CORPORATION LIMITED BY WAY OF A  
SCHEME OF ARRANGEMENT**

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**1. INTRODUCTION**

- 1.1. **The Scheme.** The Board of Directors of International Healthway Corporation Limited (the “**Company**” or “**IHC**”, and together with its subsidiaries, the “**Group**”) is pleased to announce the proposed acquisition (the “**Acquisition**”) by the Company of the entire issued and paid-up ordinary shares in the capital of Healthway Medical Corporation Limited (“**HMC**”, and together with its subsidiaries, the “**HMC Group**”) (the “**HMC Shares**”). The Acquisition will be effected by way of a scheme of arrangement (the “**Scheme**”) in accordance with Section 210 of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) and the Singapore Code on Take-overs and Mergers (the “**Code**”).
- 1.2. **Implementation Agreement.** In connection with the Acquisition, the Company and HMC (each, a “**Party**” and collectively, the “**Parties**”) have today entered into an implementation agreement (the “**Implementation Agreement**”) setting out the terms and conditions on which HMC and the Company will implement the Scheme for the purposes of the Acquisition.

**2. INFORMATION ON HMC**

- 2.1. HMC is an investment holding company of a medical services group which provides healthcare management services in Singapore. The HMC Group operates in two segments:
- (a) Primary Healthcare – offering services in family medicine, dentistry and healthcare benefit management areas, as well as investments in strategic medical related businesses; and
  - (b) Specialist and Wellness Healthcare – serving the areas of paediatrics, orthopaedics, aesthetic medicine, obstetrics and gynaecology.
- 2.2. The HMC Group also provides managed healthcare, medical, and consultancy services, and offers products and services related to wellness and beauty. The HMC Group owns and operates approximately 70 medical clinics and manages approximately 30 medical clinics in Singapore. The brand names under the HMC Group include Island Orthopaedic Group, SBCC Baby & Child Clinic and Nobel Specialist practices.
- 2.3. HMC was incorporated in Singapore in 1990 and is currently listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).
- 2.4. As at the date of the Implementation Agreement, HMC has an issued and fully paid capital of S\$201.38 million, comprising 2,308,236,183 ordinary shares (excluding 18,698,000 treasury shares).

### 3. THE SCHEME

#### 3.1. The Acquisition. Under the Scheme:

- 3.1.1. all the HMC Shares, held by the shareholders of HMC (the “**HMC Shareholders**”) as at a books closure date to be announced by HMC on which the Transfer Books and the Register of Members of HMC will be closed in order to determine the entitlements of the HMC Shareholders in respect of the Scheme (the “**HMC Books Closure Date**”), will be transferred to the Company fully paid, free from all and any encumbrances or any arrangements or obligations to create any encumbrances whatsoever with all rights and benefits attaching thereto, in exchange for the Consideration Shares (as defined herein).
- 3.1.2. the consideration for each HMC Share shall be S\$0.10 (the “**Consideration**”), and such consideration shall be satisfied through the allotment and issuance of new ordinary shares in the share capital of the Company (the “**Consideration Shares**”) to the HMC Shareholders at an issue price of S\$0.45 for each Consideration Share (the “**IHC Issue Price**”). For the avoidance of doubt, under the Scheme, no cash consideration will be paid to the HMC Shareholders. Upon the Scheme becoming effective and on the Transfer Date (as defined herein), each of HMC Shareholders will be entitled to receive Consideration Shares based on the ratio of 1 Consideration Share for every 4.5 HMC Shares held as at the HMC Books Closure Date. Any fractional entitlements of Consideration Shares shall be disregarded. The Consideration Shares shall be issued fully paid, free from all and any encumbrances and rank *pari passu* in all respects with the then existing ordinary shares of the Company.
- 3.2. **Scheme Document.** Further information on the Scheme and the terms and conditions upon which the Scheme will be implemented by HMC (in cooperation with the Company) will be set out in the document to be issued by HMC to the HMC Shareholders containing, amongst others, details of the Scheme (the “**Scheme Document**”).
- 3.3. **Effective Date.** Subject to the satisfaction of the Scheme Conditions (as defined herein) (including requisite shareholders’ approvals and grant of the Court Order (as defined herein)), the Scheme becomes effective upon a copy of the Court Order being lodged with the Accounting and Corporate Regulatory Authority in Singapore (“**ACRA**”) (the “**Effective Date**”).
- 3.4. **Delisting.** Upon the Scheme becoming effective and binding, HMC will become a wholly-owned subsidiary of the Company, and will, subject to clearance by the sponsor of HMC, PrimePartners Corporate Finance Pte Ltd (the “**HMC Sponsor**”), be delisted from the Catalist.
- 3.5. **Interested Person Transaction and Discloseable Transaction.** The Acquisition constitutes an interested person transaction (the “**Interested Person Transaction**”) under Chapter 9 of the SGX-ST Listing Manual, Section B: Rules of the Catalist (the “**Catalist Rules**”) and a “discloseable transaction” under Rule 1006 of the Catalist Rules. Further information in relation to the aforementioned are set out in Paragraph 7.6 of this Announcement.

### 4. SCHEME CONDITIONS

- 4.1. **Scheme Conditions.** The Scheme is conditional upon the satisfaction or waiver (as the case may be) of a number of conditions precedent (the “**Scheme Conditions**”) which are set out as follows:
- (a) Regulatory Approvals: the receipt of all applicable regulatory approvals and such approvals not being revoked or withdrawn on or before the date on which the HMC Shares shall be transferred to the Company and the Consideration Shares shall be credited to the securities account of the HMC Shareholders (the “**Transfer Date**”), including without limitation:

- (i) In relation to the Company:
    - Confirmation from the Securities Industry Council (the “**SIC**”) that Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and note 1(b) to Rule 19 of the Code do not apply to the Scheme, subject to any conditions that the SIC may deem fit to impose and which are acceptable to the Company, or as the case may be, HMC; and
    - Receipt of the notice for the listing and quotation of the Consideration Shares on the Catalist from the SGX-ST, and if such notice is subject to conditions, such conditions being reasonably acceptable to the Company;
  - (ii) In relation to HMC:
    - Receipt of clearance from the HMC Sponsor for the delisting of HMC from the Catalist;
- (b) Authorisations: in addition to the approvals aforementioned in Paragraph 4.1(a) above:
- (i) in relation to the Company, the approval by the shareholders of the Company (the “**IHC Shareholders**”) for the Acquisition as an Interested Person Transaction, and all other authorisations, consents, clearances, permissions and approvals as are necessary or required by the Company under applicable laws, from all relevant governmental agencies and third parties, and under the contracts entered into by the Company for or in respect of the Acquisition and the implementation of the Scheme being obtained; and
  - (ii) in relation to HMC, the approval by the HMC Shareholders for the Scheme, and all other authorisations, consents, clearances, permissions and approvals as are necessary or required by HMC under applicable laws, from all relevant governmental agencies and third parties, and under the contracts entered into by the HMC Group for or in respect of the Scheme and the implementation of the Scheme being obtained;
- (c) Opinion of the independent financial advisors:
- (i) in relation to the Company, a favourable opinion from an independent financial advisor (to be appointed by the Company) in support of the Acquisition as an Interested Person Transaction being obtained; and
  - (ii) in relation to HMC, a favourable opinion from the an independent financial advisor (to be appointed by HMC) in support of the Scheme being obtained;
- (d) Court Meeting: in relation to HMC, the receipt of the approval of the Scheme by the HMC Shareholders at the court meeting of HMC Shareholders to be convened by the High Court of Singapore, or where applicable on appeal, the Court of Appeal of Singapore (“**Court**”) (“**Court Meeting**”) in compliance with Section 210 of the Companies Act;
- (e) Court Order: in relation to HMC, the grant of the order of the Court sanctioning the Scheme under Section 210 of the Companies Act (“**Court Order**”) by the Court and such Court Order having become final;
- (f) Lodgement of the Court Order: the lodgement of the Court Order by HMC with the Accounting and Corporate Regulatory Authority;

- (g) No legal or regulatory restraint: no injunction or other order being issued by any court of competent jurisdiction or other legal or regulatory restraint, prohibition or condition preventing the consummation of the Scheme or proposed transactions relating to the Scheme or to any party thereof shall be in effect on the Transfer Date;
- (h) No Prescribed Occurrence: between the date of the Implementation Agreement and the Transfer Date, no prescribed occurrence in relation to the Company or HMC ("**Prescribed Occurrence**"), as the case may be, occurs other than as required or contemplated by the Implementation Agreement. A list of Prescribed Occurrences relating to the Company and HMC are set out in Schedule 1 to this Announcement below.
- (i) No termination: the Implementation Agreement not having been terminated pursuant to the termination provisions therein;
- (j) No material adverse change: no occurrence, on or before the Transfer Date, of any adverse change in the assets, employee base or business of the HMC Group, or as the case may be, the Company since 31 December 2014 that is material to the HMC Group, or as the case may be, the Company, provided that any changes announced by HMC, or as the case may be, the Company between 31 December 2014 and the date hereof shall not be deemed to be an adverse change; and
- (k) No material inaccuracy: no discovery, on or before the Transfer Date, of any material inaccuracy in any announcement (including but not limited to any announcement of financial results) made by HMC, or as the case may be, the Company on the SGX-ST.
- (l) The Company's representations, warranties and covenants:
  - (i)
    - (1) the representations and warranties of the Company set out in the Implementation Agreement that are qualified as to materiality being true and correct in all respects;
    - (2) the representations and warranties of the Company set out in Implementation Agreement that are not qualified as to materiality being true and correct in all material respects;

in each case as of the date of the Implementation Agreement and as of the Transfer Date as though made on and as of that date except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date); and
  - (ii) The Company shall have, as of the Transfer Date, performed and complied with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by it, on or prior to the Transfer Date;
- (m) HMC's representations, warranties and covenants:
  - (i)
    - (1) the representations and warranties of HMC set out in the Implementation Agreement that are qualified as to materiality being true and correct in all respects; and
    - (2) the representations and warranties of HMC set out in the Implementation Agreement that are not qualified as to materiality being true and correct in all material respects;

in each case as of the date of the Implementation Agreement and as of the Transfer Date as though made on and as of that date except to the extent

any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date); and

- (ii) HMC shall have, as of the Transfer Date, performed and complied with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by it, on or prior to the Transfer Date.

#### 4.2. **Waiver of Certain Scheme Conditions**

4.2.1. **The Company's Right to Waive.** The Company alone may waive the Scheme Conditions in paragraphs 4.1(h) (in relation to Prescribed Occurrences set out in Schedule 1 to this Announcement relating to the HMC Group) and paragraphs 4.1(j), 4.1(k) and 4.1(m) above. Any breach or non-fulfilment of any such Scheme Conditions may be relied upon only by the Company. The Company may at any time and from time to time at its sole and absolute discretion waive any such breach or non-fulfilment.

4.2.2. **HMC's Right to Waive.** HMC alone may waive the Scheme Conditions in paragraphs 4.1(h) (only in respect of Prescribed Occurrences relating to the Company) and paragraphs 4.1(j), 4.1(k) and 4.1(l) above. Any breach or non-fulfilment of any such Scheme Conditions may be relied upon only by HMC. HMC may at any time and from time to time at its sole and absolute discretion waive any such breach or non-fulfilment.

### 5. **TERMINATION**

5.1. **Termination Provisions.** The Implementation Agreement provides that the Implementation Agreement may be terminated in the following scenarios:

5.1.1. Termination by Consent. Notwithstanding anything contained in the Implementation Agreement to the contrary, the Implementation Agreement may be terminated by the mutual written consent of all the Parties

5.1.2. Termination by Court Order or Notice. Without prejudice to any other right of termination under the Implementation Agreement, the Implementation Agreement may be terminated at any time prior to the Transfer Date:

- (a) by either Party if any court of competent jurisdiction has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme or any part thereof, or has refused to do anything necessary to permit the Scheme or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable; or
- (b) if there shall have been a breach by any Party of its obligations under the Implementation Agreement and such breach is material in the context of the Scheme, by the Party not in default and having the benefit of such obligations, after prior consultation with the SIC, by fourteen (14) days' written notice to the other Party.

5.1.3. Termination due to non-fulfilment of Scheme Conditions. Notwithstanding anything contained in the Implementation Agreement, either Party may terminate the Implementation Agreement if any of the Scheme Conditions has not been satisfied (or, where applicable, has not been waived) by, or if the Scheme has not become effective on, 31 December 2015, provided that the Party seeking termination of the Implementation Agreement shall not have breached or failed to comply in any material respect with its obligations under the Implementation Agreement in such manner as to have directly caused the breach or non-fulfilment of such condition precedent or prevented the Scheme from becoming effective on or before 31 December 2015 and does so only with the prior consultation and approval of the SIC.

## 6. RATIONALE FOR THE ACQUISITION

The Acquisition represents an opportunity for the Company to invest in a company with an established platform from which to expand its business in the provision of primary healthcare services in Singapore such that as an enlarged group, it will be able to provide the full spectrum of primary to specialist healthcare services.

- 6.1. **Complementary Business.** The businesses of the Group and the HMC Group are complementary to each other as clinics in the HMC Group will have access to medical real estate. Furthermore, HMC has a strong brand name in a wide spectrum of medical services in Singapore, and as such, Company will be able to tap on these healthcare services and have access to more resources for the establishment and advancement of healthcare overseas.
- 6.2. **Greater Opportunities for Expansion.** The Acquisition also represents an opportunity for the Company to diversify its investment portfolio and gain access to healthcare businesses in Singapore. In addition, the Acquisition presents overseas expansion opportunities for the HMC Group into the jurisdictions that the Company is already in.
- 6.3. **Cost Savings.** There will be cost savings from the Acquisition as the Acquisition and subsequent delisting of HMC is envisaged to reduce the costs of the enlarged group arising from the streamlining of the administrative and support functions of the Group and the HMC Group to achieve maximum synergies from the Acquisition.

## 7. FINANCIAL ASPECTS OF THE ACQUISITION

- 7.1. **Historical Share Price.** The Consideration for each HMC Share shall be S\$0.10 (“**Consideration**”). The Consideration was arrived at taking into account market conditions and the valuations of listed peers of HMC. The Consideration shall be satisfied by way of the allotment and issuance of the Consideration Shares such that each HMC Shareholder will be entitled to receive Consideration Shares based on the ratio of 1 IHC Share for every 4.5 HMC Shares held as at the HMC Books Closure Date.

The premium of the Consideration compared to the HMC Share price as at the close of trading on 18 June 2015, being the last full trading day preceding the date of the Implementation Agreement, is as follows:

| Description                                                                                                                             | HMC Share Price <sup>(1)</sup> | Consideration Premium over HMC Share Price <sup>(2)</sup> |       |
|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------------------------------------|-------|
|                                                                                                                                         | (S\$)                          | (S\$)                                                     | (%)   |
| Last transacted price per HMC Share on 18 June 2015, being the last full trading day preceding the date of the Implementation Agreement | 0.054                          | 0.046                                                     | 85.19 |
| Volume weighted average price (“ <b>VWAP</b> ”) for the 1-month period prior to the Announcement Date                                   | 0.057                          | 0.043                                                     | 74.02 |
| VWAP for the 3-month period prior to the Announcement Date                                                                              | 0.052                          | 0.048                                                     | 93.39 |
| VWAP for the 6-month period prior to the Announcement Date                                                                              | 0.050                          | 0.050                                                     | 99.31 |
| VWAP for the 12-month period prior to the Announcement Date                                                                             | 0.050                          | 0.050                                                     | 98.81 |

**Notes:**

(1) Based on last done prices extracted from Bloomberg.

(2) Differences are due to rounding.

The premium of the IHC Issue Price compared to the IHC Share (as defined herein) price as at the close of trading on 18 June 2015, being the last full trading day preceding the Announcement Date, is as follows:

| Description                                                                                                                             | IHC Share Price <sup>(1)</sup><br>(S\$) | IHC Issue Price<br>(S\$) | Premium over IHC Share Price<br>(%) |
|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|--------------------------|-------------------------------------|
| Last transacted price per IHC Share on 18 June 2015, being the last full trading day preceding the date of the Implementation Agreement | 0.290                                   | 0.160                    | 55.17                               |
| VWAP for the 1-month period prior to the Announcement Date                                                                              | 0.291                                   | 0.159                    | 54.87                               |
| VWAP for the 3-month period prior to the Announcement Date                                                                              | 0.289                                   | 0.161                    | 55.53                               |
| VWAP for the 6-month period prior to the Announcement Date                                                                              | 0.283                                   | 0.167                    | 58.90                               |
| VWAP for the 12-month period prior to the Announcement Date                                                                             | 0.274                                   | 0.176                    | 64.30                               |

**Note:**

(1) Based on last done prices extracted from Bloomberg.

- 7.2. **Net Asset Value, Net Tangible Assets and Net Profits of HMC.** The audited net asset value and net tangible asset of the HMC Group as at 31 December 2014 were approximately S\$190.63 million and S\$68.43 million respectively. The audited net profits of the HMC Group as at 31 December 2014 was approximately S\$9.84 million.
- 7.3. **Market Capitalisation of HMC.** The market capitalisation of HMC, calculated based on the last transacted price of HMC on the market day preceding the date of the Implementation Agreement, is approximately S\$125.65 million.
- 7.4. **Categorisation of the Acquisition under Chapter 10 of the Catalist Rules.** The relative figures in relation to the Acquisition pursuant to Rule 1006 of the Catalist Rules, calculated based on the latest announced unaudited consolidated financial statements of the Group for the 3-month financial period ended 31 March 2015 ("**1Q2015**"), are as follows:

|     |                                                                                                                                                                              |                               |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| (a) | Net asset value of assets to be disposed of, compared with the Group's net asset value. This basis is not applicable for acquisition of assets.                              | Not applicable <sup>(1)</sup> |
| (b) | Net profits/loss attributable to the assets acquired or disposed of, compared with the Group's net profits/loss                                                              | 546.05% <sup>(2)</sup>        |
| (c) | Aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued share excluding treasury shares | 31.17% <sup>(3)</sup>         |
| (d) | Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue                      | 31.17% <sup>(4)</sup>         |

|     |                                                                                                                                                                                                                                                                                                   |                               |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| (e) | Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the group's proven and probable reserves. This is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets | Not applicable <sup>(1)</sup> |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|

**Notes:**

- (1) Not applicable for the Acquisition.
- (2) The net profit before tax, non-controlling interest and extraordinary items attributable to the assets acquired is based on the latest announced consolidated financial statements of the HMC Group of approximately S\$4.15 million for 1Q2015 and the net profit before tax, non-controlling interest and extraordinary items of the IHC Group of approximately S\$0.76 million for 1Q2015.
- (3) The aggregate value of the consideration of approximately S\$149.96 million is determined by multiplying the total number of Consideration Shares of 517,096,485 by S\$0.29, being the weighted average price of IHC Shares on the market day preceding the date of the Implementation Agreement. The market capitalisation of the Company of approximately S\$481.13 million is determined by multiplying 1,659,064,603 ordinary shares issued in the capital of the Company ("IHC Shares") by S\$0.290 per IHC Share, being the weighted average price of IHC Shares on the market day preceding the date of the Implementation Agreement.
- (4) The number of Consideration Shares to be issued for the Acquisition is 517,096,485. The number of IHC Shares in issue as at the date of the Implementation Agreement is 1,659,064,603.

As the only relative figure that exceeds 100.0% is Rule 1006(b) of the Catalist Rules, an exemption under Rule 1015(8) of the Catalist Rules that the Acquisition is not considered a "very substantial acquisition" or "reverse takeover" as defined under Chapter 10 of the Catalist Rules, would apply to the Acquisition.

Pursuant thereto, as the remaining relative figures calculated under Rule 1006(b) of the Catalist Rules are greater than 5% but less than 75%, the Proposed Acquisition is considered a "discloseable transaction" as defined under Chapter 10 of the Catalist Rules.

- 7.5. **Financial Effects.** The financial effects of the Acquisition on the Group as set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Group immediately after the completion of the Acquisition. The financial effects of the Acquisition set out below have been prepared based on the Group's audited consolidated financial statements for the financial year ended 31 December 2014 ("**FY2014**") and *inter alia*, the following assumptions:

- (i) the financial effects on the Group's earnings and earnings per IHC Share are computed assuming that the Acquisition was completed on 1 January 2014 while the financial effects on the Group's net tangible assets ("**NTA**") and debt/equity ratio are computed assuming that the Acquisition was completed on 31 December 2014;
- (ii) the issuance of 26,750,811 IHC Shares to Bank Muamalat Malaysia Berhad on 17 April 2015 ("**April 2015 Share Issuance**") and the cash payment of RM2.20 million (equivalent to approximately S\$0.82 million) being the settlement for a financing arrangement with Muamalat Venture Sdn Bhd ("**Financing Arrangement**") on 31 December 2014 for the purposes of computing the financial effects on the Group's NTA and debt/equity ratio. Please refer to the Company's announcement dated 17 April 2015 for further details on the Financing Arrangement;
- (iii) the effects of the Acquisition on the Company's issued and paid-up share capital is computed assuming that the fair value of the Consideration is S\$149.96 million ("**Fair Value of the Consideration**") which is based on number of Consideration Shares of 517.10 million multiplied by S\$0.29 per IHC Share, being the weighted average price on the market day preceding the date of the Implementation Agreement; and

- (iv) the effects of the Acquisition on the Group's earnings and earnings per IHC Share was computed assuming that the negative goodwill of S\$40.67 million was computed based on the difference between the Fair Value of the Consideration and the fair value of the net asset value ("NAV") of HMC Group of S\$190.63 million (which is assumed to be equal to the audited consolidated NAV of the HMC Group as at 31 December 2014). On completion, the deemed consideration of the Acquisition, for accounting purposes, will be calculated on the fair market value of each HMC Share at the date of completion. As the actual goodwill as a result of the Acquisition will have to be determined at completion, the actual goodwill could be materially different from the calculation used below. Any goodwill arising thereon from the Acquisition will be accounted for in accordance with the accounting policies of the Company.

#### 7.5.1. Issued and paid-up share capital

| <b>(S\$'000)</b>                                              | <b>As at<br/>31<br/>December<br/>2014</b> | <b>Before the<br/>Acquisition<br/>but after the<br/>April 2015<br/>Share<br/>Issuance<sup>(1)</sup></b> | <b>After the<br/>Acquisition</b> |
|---------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------|
| Issued and paid-up share capital                              | 185,219                                   | 192,707                                                                                                 | 192,707                          |
| Effects of the Acquisition                                    | -                                         | -                                                                                                       | 149,958                          |
| <b>Enlarged issued and paid-up<br/>share capital</b>          | <b>185,219</b>                            | <b>192,707</b>                                                                                          | <b>342,665</b>                   |
| Number of shares in issue ('000)                              | 1,632,314                                 | 1,659,065                                                                                               | 1,659,065                        |
| New shares to be issued pursuant<br>to the Acquisition ('000) | -                                         | -                                                                                                       | 517,096                          |
| <b>Enlarged number of shares in<br/>issue ('000)</b>          | <b>1,632,314</b>                          | <b>1,659,065</b>                                                                                        | <b>2,176,161</b>                 |

**Note:**

(1) Please refer to assumption (ii) set out in Paragraph 7.5 above for further details.

#### 7.5.2. NTA and NTA per IHC Share

| <b>(S\$'000)</b>                               | <b>As at<br/>31 December<br/>2014</b> | <b>Before the<br/>Acquisition<br/>but after the<br/>April 2015<br/>Share<br/>Issuance<sup>(1)</sup></b> | <b>After the<br/>Acquisition</b> |
|------------------------------------------------|---------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------|
| NTA                                            | 163,177                               | 170,665                                                                                                 | 170,665                          |
| Effects of the Acquisition                     | -                                     | -                                                                                                       | 68,428                           |
| <b>Enlarged NTA</b>                            | <b>163,177</b>                        | <b>170,665</b>                                                                                          | <b>239,093</b>                   |
| <b>NTA per IHC Share<br/>(Singapore cents)</b> | <b>10.00</b>                          | <b>10.29</b>                                                                                            | <b>10.99</b>                     |

**Note:**

(1) Please refer to assumption (ii) set out in Paragraph 7.5 above for further details.

### 7.5.3. Earnings and Earnings per IHC Share

| <b>(S\$'000)</b>                                             | <b>As at<br/>31 December<br/>2014</b> | <b>Before the<br/>Acquisition<br/>but after the<br/>April 2015<br/>Share<br/>Issuance<sup>(1)</sup></b> | <b>After the<br/>Acquisition</b> |
|--------------------------------------------------------------|---------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------|
| Profit attributable to owners of the Company                 | 37,304                                | 37,304                                                                                                  | 37,304                           |
| Effects of the Acquisition                                   | -                                     | -                                                                                                       | 50,507                           |
| <b>Enlarged profit attributable to owners of the Company</b> | <b>37,304</b>                         | <b>37,304</b>                                                                                           | <b>87,811</b>                    |
| <b>Earnings per IHC Share (Singapore cents)</b>              | <b>2.29</b>                           | <b>2.25</b>                                                                                             | <b>4.04</b>                      |

**Note:**

(1) Please refer to assumption (ii) set out in Paragraph 7.5 above for further details.

### 7.5.4. Debt / Equity Ratio

| <b>(S\$'000)</b>           | <b>As at<br/>31 December<br/>2014</b> | <b>Before the<br/>Acquisition<br/>but after the<br/>April 2015<br/>Share<br/>Issuance<sup>(1)</sup></b> | <b>After the<br/>Acquisition</b> |
|----------------------------|---------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------|
| Net Debt                   | 277,943                               | 277,943                                                                                                 | 290,965                          |
| Net Shareholders Equity    | 203,885                               | 211,373                                                                                                 | 401,998                          |
| <b>Debt / Equity ratio</b> | <b>136.32%</b>                        | <b>131.49%</b>                                                                                          | <b>72.38%</b>                    |

**Note:**

(1) Please refer to assumption (ii) set out in Paragraph 7.5 above for further details.

## 7.6. **The Acquisition as an Interested Person Transaction**

**7.6.1. Interests of Directors and Controlling Shareholders.** The interests of the Directors in the IHC Shares of the Company as at the date of the Implementation Agreement and the interests of controlling shareholders as at the date of the Implementation Agreement based on the latest publicly available information are set out below:

| <b>Directors</b>                                       | <b>As at the date of this Announcement<sup>(1)</sup></b> |            |                          |            |
|--------------------------------------------------------|----------------------------------------------------------|------------|--------------------------|------------|
|                                                        | <b>Direct Interest</b>                                   |            | <b>Deemed Interest</b>   |            |
|                                                        | <b>No. of IHC Shares</b>                                 | <b>(%)</b> | <b>No. of IHC Shares</b> | <b>(%)</b> |
| Dr Jong Hee Sen <sup>(6)</sup>                         | 2,753,202                                                | 0.17       | 85,084,353               | 5.12       |
| Siew Teng Kean                                         | 127,827                                                  | 0.01       | -                        | -          |
| Ong Lay Khiam                                          | -                                                        | -          | 16,458                   | n.m.       |
| Chia Kwok Ping <sup>(7)</sup>                          | -                                                        | -          | -                        | -          |
| <b>Controlling Shareholders (other than Directors)</b> |                                                          |            |                          |            |
| Golden Cliff International Limited <sup>(2)</sup>      | 95,447,448                                               | 5.75       | 167,682,657              | 10.11      |
| Fan Kow Hin <sup>(3)</sup>                             | 2,744,100                                                | 0.16       | 463,446,954              | 27.93      |
| Real Empire International Limited <sup>(4)</sup>       | 48,551,154                                               | 2.93       | 204,599,903              | 12.33      |
| Aathar Ah Kong Andrew <sup>(5)</sup>                   | 58,168,231                                               | 3.51       | 367,623,921              | 22.16      |

**Notes:**

- (1) Percentage calculated based on 1,659,064,603 IHC Shares as at the date of this Announcement.
- (2) Golden Cliff is deemed interested in 858,750 IHC Shares held by Healthway Medical Development (Private) Limited ("**HMD**") by virtue of its shareholdings in HMD and 166,823,907 IHC Shares held in the name of a nominee account.
- (3) Fan Kow Hin is deemed interested in the 263,130,105 IHC Shares held by Golden Cliff International Limited ("**Golden Cliff**"), 10,616,258 Shares held by One Organisation Limited ("**OOL**") and 5,503,237 Shares held by One Organisation Pte Ltd ("**OOP**"), by virtue of his shareholdings in Golden Cliff, OOL and OOP. Fan Kow Hin is also deemed interested in 157,446,543 Shares held in the name of a nominee account and 26,750,811 IHC Shares held by a shareholder of the Company pursuant to put and call option deed of undertakings entered into between Fan Kow Hin and that shareholder.
- (4) Real Empire International Limited is deemed interested in the 858,750 Shares held by HMD, by virtue of its shareholdings in HMD and 203,741,153 IHC Shares held in a nominee account.
- (5) Aathar Ah Kong Andrew is deemed interested in the 253,151,057 IHC Shares held by Real Empire International Limited ("**Real Empire**") by virtue of his shareholdings in Real Empire. Aathar Ah Kong Andrew is also deemed interested in the 114,189,453 Shares held by his various nominee accounts and 283,411 IHC Shares held by his brother, Aathar Ah Tuk Henry.
- (6) Dr Jong Hee Sen is deemed interested in 1,998,154 Shares held by Xanery Limited ("**Xanery**") by virtue of his shareholdings in Xanery. Jong Hee Sen is also deemed interested in the 73,086,199 Shares held by his various nominee accounts and 10,000,000 Shares held by his wife, Lee Cher Leng.
- (7) Chia Kwok Ping, the outgoing executive director of the Company, has tendered his resignation on 30 May 2015.

**7.6.2. Interested Person Transaction.** Fan Kow Hin and Aathar Ah Kong Andrew each hold aggregate direct and deemed interests of 19.24% and 8.88% in the shares of HMC respectively. Further, Dr Jong Hee Sen, a director of the Company, holds an aggregate of 5.97% direct and deemed interests in the Shares of HMC. Pursuant to the Scheme, the Company will be acquiring HMC Shares belonging to Fan Kow Hin, Aathar Ah Kong Andrew and Dr Jong Hee Sen, and issuing Consideration Shares to each of them. Therefore, Fan Kow Hin, Aathar Ah Kong Andrew and Dr Jong Hee Sen are "interested persons" and the Acquisition with respect to Fan Kow Hin, Aathar Ah Kong Andrew and Dr Jong Hee Sen is an "interested person transaction" for the purposes of Chapter 9 of the Catalist Rules.

In addition, Siew Teng Kean, an independent director of the Company, holds 0.06% in the shares of HMC and will receive Consideration Shares pursuant to the Acquisition. However, the Acquisition with respect to Siew Teng Kean is not an "interested person transaction" for the purposes of Chapter 9 of the Catalist Rules because the value of the Acquisition with respect to Siew Teng Kean is below S\$100,000.

Based on the latest audited consolidated financial statements of the Group for FY2014, the audited consolidated NTA of the Group as at 31 December 2014 was approximately S\$163.18 million. For the purposes of Chapter 9 of the Catalist Rules, the value of the Interested Person Transactions in relation to this Acquisition being approximately S\$50.71 million represents approximately 31.08% of the latest audited consolidated NTA of the Group as at 31 December 2014. As such, the Acquisition is an interested person transaction which is subject to the approval of the Company's shareholders at an extraordinary general meeting (the "**EGM**") to be convened pursuant to Rule 906(1)(a) of the Catalist Rules.

Save as disclosed above, there has been no other transaction between the Company and each of Fan Kow Hin, Aathar Ah Kong Andrew and Dr Jong Hee Sen respectively in FY2015 to date. Accordingly, there have been no interested person transactions for FY2015 to date.

Save as disclosed above, none of the Directors and substantial shareholders of the Company and their associates (other than by reason only of being a shareholder or Director) has any interest, direct or indirect, in the Acquisition.

## 8. INDEPENDENT FINANCIAL ADVISER

- 8.1. Chapter 9 of the Catalyst Rules provides that, where shareholders' approval is required for an interested person transaction, the circular to shareholders (the "**Circular**") must include an opinion from an independent financial adviser on whether such transaction is on normal commercial terms and is not prejudicial to the interests of the Company and the independent shareholders. As such, an independent financial adviser will be appointed by the Company in due course to advise the directors of the Company who are non-interested in the Acquisition in respect of the Acquisition (the "**IFA Opinion**"). The IFA Opinion will be included in the Circular to be despatched to shareholders in connection with the Acquisition.
- 8.2. **Audit Committee Opinion.** The Audit Committee will form its view as to whether the Acquisition is on normal commercial terms and is not prejudicial to the interest of the Company and its independent shareholders after considering the IFA Opinion (the "**AC Opinion**"). The AC Opinion will be set out in the Circular to be despatched in due course.

## 9. CIRCULAR AND EGM

The Company intends to convene the EGM to seek shareholders' approval for the Acquisition as an Interested Person Transaction. The Circular containing, *inter alia*, the notice of the EGM and details of the Acquisition will be despatched to shareholders in due course.

## 10. DISCLOSURES OF INTEREST

Save as disclosed above, none of the Company, its Directors and any of the parties acting in concert with it, or PrimePartners Corporate Finance Pte. Ltd. ("**PPCF**"), as financial adviser to the Company:

- (i) owns, controls or has agreed to acquire any (a) shares, (b) options, (c) securities which carry voting rights in HMC, (d) securities which are convertible into shares or securities which carry voting rights in HMC, (e) rights to subscribe for, or options in respect of, such shares or securities (collectively, the "**HMC Securities**"); or
- (ii) has dealt for value in any HMC Securities during the three (3) months period immediately preceding the date of the Implementation Agreement.

Further, the Company, its Directors and any of the parties acting in concert with it, or PPCF has not:

- (i) granted a security interest to another person over HMC securities, whether through a charge, pledge or otherwise;
- (ii) borrowed HMC Securities from another person; or
- (iii) lent HMC Securities to another person.

In the interest of confidentiality, the Company and PPCF have not made enquiries in respect of other parties who are or may be deemed acting in concert with them in connection with the Acquisition. Further enquiries will be made of such persons and the relevant disclosures will be made in due course subsequently in the Circular.

## 11. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company (including any who 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, that no material facts have been omitted from this Announcement, and that they jointly and severally accept responsibility accordingly. Where any information has been extracted from published or otherwise publicly available sources, the sole responsibility of the directors of the Company has been to ensure that such information has been accurately and correctly extracted from such sources and/or reproduced in this Announcement in its proper form and context.

## 12. DETAILS OF SERVICE AGREEMENTS

No director is proposed to be appointed to the Company in connection with the Acquisition.

## 13. DOCUMENTS FOR INSPECTION

The Implementation Agreement is available for inspection during normal business hours at the Company's registered office at 2 Leng Kee Road, #02-07, Singapore 159086 from the date of this announcement up to the Effective Date.

By Order of the Board  
Dr Jong Hee Sen  
Non-Executive Chairman  
19 June 2015

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International Healthway Corporation Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 8 July 2013. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. 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.

## SCHEDULE 1 - PRESCRIBED OCCURRENCES

Prescribed Occurrences relating to the Company are:

- (a) Injunctions: an injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or any part thereof by the Company.
- (b) Resolution for Winding Up: The Company resolving that it be wound up.
- (c) Appointment of Liquidator and Judicial Manager: the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or other similar officer of the Company.
- (d) Order of Court for Winding Up: the making of an order by a court of competent jurisdiction for the winding up of the Company.
- (e) Composition: the Company entering into any arrangement or general assignment or composition for the benefit of its creditors generally.
- (f) Appointment of Receiver: the appointment of a receiver or a receiver and manager, in relation to all or a substantial part of the property or assets of the Company.
- (g) Insolvency: the Company becoming or being deemed by law or a court of competent jurisdiction to be insolvent or stops or suspends or defaults on or threatens to stop or suspend or default on payment of its debts of a material amount as they fall due
- (h) Cessation of Business: the Company ceases or threatens to cease for any reason to carry on business in the usual course.
- (i) Breach of this Agreement: the Company being in material breach of any of the provisions of this Agreement.

Prescribed Occurrences relating to HMC are:

- (a) Consolidation or Sub-Division of Shares: HMC consolidating or sub-dividing all or any of its shares into a smaller or larger number of shares respectively.
- (b) Share Buy-back: HMC carrying out a share buy-back or resolving to approve the terms of a share buy-back agreement under the Companies Act.
- (c) Reduction of Share Capital: HMC resolving to reduce its share capital in any way.
- (d) Allotment of Shares: HMC making any allotment or issuance of, or granting any option or other security to subscribe for or convertible into, any HMC Shares.
- (e) Dividends: HMC recommending, declaring, making or paying any dividends or any other form of distribution to its shareholders.
- (f) Injunctions: an injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or any part thereof by HMC.
- (g) Resolution for Winding Up: any HMC Group Company resolving that it be wound up.
- (h) Appointment of Liquidator and Judicial Manager: the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or other similar officer of any company in the HMC Group ("**HMC Group Company**").

- (i) Order of Court for Winding Up: the making of an order by a court of competent jurisdiction for the winding up of any HMC Group Company.
- (j) Composition: any HMC Group Company entering into any arrangement or general assignment or composition for the benefit of its creditors generally.
- (k) Appointment of Receiver: the appointment of a receiver or a receiver and manager, in relation to all or substantial part of the property or assets of any HMC Group Company.
- (l) Insolvency: any HMC Group Company becoming or being deemed by law or a court of competent jurisdiction to be insolvent or stops or suspends or defaults on or threatens to stop or suspend or default on payment of its debts of a material amount as they fall due.
- (m) Cessation of Business: any HMC Group Company ceases or threatens to cease for any reason to carry on business in the usual course.
- (n) Breach of this Agreement: HMC being in material breach of any of the provisions of this Agreement.
- (o) Investigations and Proceedings: if any HMC Group Company or any of their respective directors is or will be the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding except where publicly disclosed prior to the date of this Agreement.