



INTERNATIONAL HEALTHWAY CORPORATION LIMITED

(Company Registration Number: 201304341E)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

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

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.

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INTERNATIONAL HEALTHWAY CORPORATION LIMITED

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Unaudited First Quarter Financial Statements And Related Announcement for the Financial Period Ended 31 March 2015

PART1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	3 months ended 31 March		
	2015	2014	Inc/(Dec)
	S\$'000	S\$'000	%
Revenue	10,113	8,795	15.0
Cost of sales	(5,262)	(3,999)	31.6
Gross profit	4,851	4,796	1.1
Other operating income, net	5,094	810	528.9
Administrative expenses	(3,143)	(1,766)	78.0
Finance expenses	(6,045)	(2,832)	113.5
Profit before tax	757	1,008	(24.9)
Income tax expense	(49)	(11)	345.5
Profit after tax	708	997	(29.0)
Other comprehensive income/(loss):			
Currency translation differences arising from consolidation	6,315	(1,026)	N/M
Total comprehensive income/(loss) for the period	7,023	(29)	N/M
Profit attributable to :-			
Equity holders of the Company	613	973	(37.0)
Non-controlling interests	95	24	295.8
	708	997	(29.0)
Total comprehensive income attributable to :-			
Equity holders of the Company	6,701	94	7,028.7
Non-controlling interests	322	(123)	N/M
	7,023	(29)	N/M
Earnings per share for profit attributable to equity holders of the Company			
- Basic earnings per share (Singapore cents)	0.038	0.060	
- Diluted earnings per share (Singapore cents)	0.037	0.060	

N/M - not meaningful



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- 1(b)(i) A statements of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	Group		Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	24,379	31,025	3,962	5,844
Trade and other receivables	19,821	16,601	194,886	165,397
Other current assets	48,091	39,957	304	287
Inventories	869	548	-	-
Assets held for sale	90,082	92,993	-	-
	<u>183,242</u>	<u>181,124</u>	<u>199,152</u>	<u>171,528</u>
Non-current assets				
Goodwill on consolidation	48,618	45,924	-	-
Intangible assets	1,110	-	-	-
Lease prepayments	8,662	6,679	-	-
Investment properties	259,309	250,465	-	-
Investment properties under development	109,601	107,150	-	-
Property, plant and equipment	8,451	6,313	79	83
Other assets	267	-	-	-
Investment in subsidiaries	-	-	83,347	83,311
	<u>436,018</u>	<u>416,531</u>	<u>83,426</u>	<u>83,394</u>
Total assets	<u>619,260</u>	<u>597,655</u>	<u>282,578</u>	<u>254,922</u>
LIABILITIES				
Current liabilities				
Trade and other payables	48,779	48,927	28,034	30,389
Borrowings	99,686	127,830	13,187	32,008
Income tax liabilities	1,113	1,077	-	-
Other liabilities	-	-	472	776
	<u>149,578</u>	<u>177,834</u>	<u>41,693</u>	<u>63,173</u>
Non-current liabilities				
Trade and other payables	15,079	14,838	8,000	8,000
Borrowings	223,220	181,138	48,874	-
Deferred tax liabilities	15,259	14,744	-	-
Other liabilities	-	-	1,572	1,665
	<u>253,558</u>	<u>210,720</u>	<u>58,446</u>	<u>9,665</u>
Total liabilities	<u>403,136</u>	<u>388,554</u>	<u>100,139</u>	<u>72,838</u>
NET ASSETS	<u>216,124</u>	<u>209,101</u>	<u>182,439</u>	<u>182,084</u>
EQUITY				
Share capital	185,219	185,219	185,219	185,219
Currency translation reserve	(183)	(6,271)	-	-
Merger reserve	(65,742)	(65,742)	-	-
Asset revaluation reserve	2,726	2,726	-	-
Statutory surplus reserve	327	327	-	-
Retained earnings/(Accumulated losses)	88,239	87,626	(2,780)	(3,135)
	<u>210,586</u>	<u>203,885</u>	<u>182,439</u>	<u>182,084</u>
Non-controlling interests	5,538	5,216	-	-
Total equity	<u>216,124</u>	<u>209,101</u>	<u>182,439</u>	<u>182,084</u>



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Notes to the Financial Statements

1 Profit before tax of the Group is arrived at after charging/(crediting):

Interest income
Interest expense
Amortisation of lease prepayments
Depreciation of property, plant and equipment
Currency translation (gain)/loss - net
Guarantee fee income
Profit guarantee income

Group		
3 months ended 31 March		
2015	2014	Inc/(Dec)
S\$'000	S\$'000	%
(12)	(21)	(42.9)
6,045	2,832	113.5
33	73	(54.8)
289	218	32.6
(1,054)	125	N/M
(843)	(915)	(7.9)
(634)	-	100.0

2. Income tax expense

Current income tax - Foreign
Deferred income tax
Charge for the period

Group		
3 months ended 31 March		
2015	2014	Inc/(Dec)
S\$'000	S\$'000	%
(49)	(11)	345.5
-	-	-
(49)	(11)	345.5

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Amount repayable within one year
Amount repayable after one year

Group		
As at 31.03.2015		
Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000
98,576	1,110	99,686
221,888	1,332	223,220

Group		
As at 31.12.2014		
Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000
126,764	1,066	127,830
179,859	1,279	181,138

The secured borrowings of the Group consist of term loans and bonds and are secured by the following :-

- corporate guarantees from the Company and a subsidiary of the Company;
- joint and several all-monies guarantees by a director of the Company and two related parties;
- certain bank deposits of the Company, a subsidiary of the Company and a related party;
- the investment properties of the Group;
- a charge created over the land of a development project of the Group;
- a deed of debenture over the assets and rights of a subsidiary pertaining to a development project of the Group;
- a deed of assignment of the subsidiary's full and entire rights and entitlements pertaining to a development project of the Group;
- a first fixed charge created over the entire issued share capital of a subsidiary of the Company;
- a first party charge created over bank deposits of certain subsidiaries of the Company;
- debenture over the assets and rights of certain subsidiaries of the Company;
- a second legal mortgage over certain asset of a related party of the Company; and
- mortgage over the land of certain investment properties of the Group.



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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	
3 months ended 31 March	
2015	2014
S\$'000	S\$'000
Cash flow from operating activities :	
Profit after tax	708
Adjustments :-	997
Income tax expense	49
Depreciation of property, plant and equipment	11
Amortisation of lease prepayments	289
Interest income	33
Interest expense	73
Foreign currency translation differences	(12)
Operating profit before working capital changes	6,045
	(84)
	(1,637)
	7,028
	2,473
(Increase)/decrease in:	
Inventories	(219)
Trade and other receivables	(2,771)
Other current assets	31
Increase in:	
Trade and other payables	1,214
Cash generated from/(used in) operations	5,283
	(166)
Interest paid	(6,361)
Income tax paid	(50)
Net cash used in operating activities	(1,128)
	(6,412)
Cash flow from investing activities :	
Acquisition of/additions to investment properties under development	(2,240)
Purchase of property, plant and equipment	(35)
Additions to lease prepayments	(1,738)
Deposit placed for purchase of assets	(6,662)
Net cash (outflow)/inflow from acquisition of subsidiaries	(1,979)
Interest received	12
Net cash used in investing activities	(12,642)
	(2,723)
Cash flow from financing activities :	
Repayment to related parties, net	(2,272)
Proceeds from borrowings	50,068
Repayment of borrowings	(41,561)
Proceeds from issuance of shares	-
Net cash provided by financing activities	6,235
	6,636
Net decrease in cash and cash equivalents	(7,535)
Cash and cash equivalents at beginning of financial period	27,275
Effects of currency translation on cash and cash equivalents	889
Cash and cash equivalents at end of financial period	20,629
	29,025

Reconciliation of cash and cash equivalents:

Group	
As at 31.03.2015	As at 31.03.2014
S\$'000	S\$'000
Cash and cash equivalents per consolidated statement of cash flows	20,629
Add: Bank deposits pledged	3,750
Cash and cash equivalents per consolidated statement of financial position	24,379
	32,775

Notes:

[^] In Q1 2014, the Company issued 27,468,750 new shares amounting to S\$8,790,000 as consideration for the purchase of shares in a subsidiary company, IHC Shanghai Medical Village Pte Ltd and its subsidiaries ("HSMV").

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	Attributable to equity holders of the Company							Non-controlling interests	Total equity
	Share Capital	Currency translation reserve	Merger reserve	Asset revaluation reserve	Statutory surplus reserve	Retained earnings	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as 1 January 2015	185,219	(6,271)	(65,742)	2,726	327	87,626	203,885	5,216	209,101
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	613	613	95	708
Other comprehensive income									
Currency translation differences	-	6,088	-	-	-	-	6,088	227	6,315
Balance at 31 March 2015	185,219	(183)	(65,742)	2,726	327	88,239	210,586	5,538	216,124
Balance as 1 January 2014	176,429	(2,147)	(66,102)	-	253	50,396	158,829	4,144	162,973
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	973	973	24	997
Issue of shares pursuant to acquisition of subsidiaries	13,185	-	(4,035)	-	-	-	9,150	-	9,150
Other comprehensive loss									
Currency translation differences	-	(879)	-	-	-	-	(879)	(147)	(1,026)
Balance at 31 March 2014	189,614	(3,026)	(70,137)	-	253	51,369	168,073	4,021	172,094

COMPANY	Share Capital	Retained earnings/ (Accumulated losses)	Total equity
	S\$'000	S\$'000	S\$'000
Balance at 1 January 2015	185,219	(3,135)	182,084
Total comprehensive income for the period			
Profit for the period	-	355	355
Balance at 31 March 2015	185,219	(2,780)	182,439
Balance at 1 January 2014	176,429	(3,828)	172,601
Total comprehensive income for the period			
Profit for the period	-	336	336
Issue of shares pursuant to acquisition of subsidiaries	13,185	-	13,185
Balance at 31 March 2014	189,614	(3,492)	186,122



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- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares of the issuer, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Ordinary shares issued and fully paid-up

	Number of shares	Paid-up share capital S\$
Balance as at 1 January & 31 March 2015	1,632,313,792	185,219,417

There were no outstanding convertibles or treasury shares held by the Company as at 31 March 2015 and 31 March 2014. However, the Company had on 17 April 2015 issued 26,750,811 new ordinary shares in the capital of the Company ("Share") at S\$0.2799 per Share (amounting to S\$7,487,551.94) to Bank Muamalat Malaysia Berhad towards the settlement of a portion of a financing agreement. Further details can be found in the Company's announcement dated 17 April 2015.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 March 2015, the Company had 1,632,313,792 issued and fully paid ordinary shares (excluding treasury shares). As at 31 December 2014, the Company had 1,632,313,792 issued and fully paid ordinary shares (excluding treasury shares).

The Company did not have any treasury shares as at 31 March 2015 and 31 December 2014.

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the financial period ended 31 March 2015 and 31 December 2014.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited consolidated financial statements for the financial year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") that are mandatory for the accounting periods beginning on or after 1 January 2015. The adoption of these new and revised FRS and INT FRS did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.



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6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

	Group	
	3 months ended 31 Mar	
	2015	2014
Basic earnings per share		
Net profit attributable to shareholders (S\$'000)	613	973
Weighted average number of ordinary shares in issue	1,632,313,792	1,627,735,667
Basic earnings per share (Singapore cents)	0.038	0.060
Diluted earnings per share		
Net profit attributable to shareholders (S\$'000)	613	973
Weighted average number of ordinary shares	1,659,064,603	1,627,735,667
Diluted earnings per share (Singapore cents)	0.037	0.060

Basic and diluted earnings per share for the 3 months ended 31 March 2014 were the same as there were no potentially dilutive ordinary shares in issue as at 31 March 2015.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:- (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	As at 31.03.2015	As at 31.12.2014	As at 31.03.2015	As at 31.12.2014
Net asset value attributable to the equity holders of the Company (S\$'000)	210,586	203,885	182,439	182,084
Number of ordinary shares in issue	1,632,313,792	1,632,313,792	1,632,313,792	1,632,313,792
Net asset value per ordinary share (Singapore cents)	12.90	12.49	11.18	11.15

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of financial performance

(a) Revenue and Gross profit

Revenue increased by S\$1.3 million from S\$8.8 million for the financial period ended 31 March 2014 ("**Q1 2014**") to S\$10.1 million for the financial period ended 31 March 2015 ("**Q1 2015**"), mainly attributable to the revenue increase in the Group's Healthcare services with the acquisition of 100% equity interest in Jiangsu Chang San Jiao Medical Co., Ltd ("**JSCJ**") in Q1 2015. Revenue from the Healthcare services contributed by rental income on leasing of 12 fully operational nursing facilities in various part of Japan (the "**Nursing Facilities**") remained stable over the two periods reported on.

The properties under the Integrated Medical Real Estate segment are still under development or earmarked for development and hence there were no revenue contribution from this business segment.

Gross profit increased by S\$0.1 million from S\$4.8 million in Q1 2014 to S\$4.9 million in Q1 2015 attributed mainly to the increase in revenue on Healthcare services.

(b) Other operating income

Other operating income increased by S\$4.3 million from S\$0.8 million in Q1 2014 to S\$5.1 million in Q1 2015, attributed mainly to S\$2.6 million rental income from the two Australia properties in Melbourne ("**Melbourne Properties**") classified as Assets held for sale, profit guarantee income of S\$0.6 million relating to the Wuxi New District Phoenix Hospital ("**WNDH**") and foreign currency exchange gain of S\$1.1 million in Q1 2015 as compared to an exchange loss of S\$0.1 million in Q1 2014.



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(c) Administrative expenses

Administrative expenses increased by S\$1.3 million from S\$1.8 million in Q1 2014 to S\$3.1 million in Q1 2015. The increase was mainly due to S\$0.8 million expenses related to the operating costs and maintenance of the Melbourne Properties acquired in Q3 2014 and S\$0.3 million increase in staff cost mainly due to acquisition of subsidiary companies in Q1 2015.

(d) Finance expenses

Finance expenses increased by S\$3.2 million from S\$2.8 million in Q1 2014 to S\$6.0 million in Q1 2015, due mainly to the interest costs incurred on the borrowings utilised to finance capital expenditure for the acquisition of Healthcare assets, which includes the acquisition of the Melbourne Properties and an Annex to one of the Japan properties in the second half of 2014, as well as for working capital needs.

(e) Profit before tax

Profit before tax decreased by S\$0.2 million from S\$1.0 million in Q1 2014 to S\$0.8 million in Q1 2015. The decrease was mainly due to increase in finance expenses of S\$3.2 million amidst increase in operating profits.

Statement of Financial Position

- (a) Current assets (comprising Cash and cash equivalents, Trade and other receivables, Other current assets, Inventories and Assets held for sale) increased by S\$2.1 million from S\$181.1 million at 31 December 2014 to S\$183.2 million at 31 March 2015. The increase was mainly attributed to an increase of S\$8.1 million in Other current assets and S\$3.2 million in Trade and other receivables, offset by a decrease of S\$6.6 million in Cash and cash equivalents and S\$2.9 million in Assets held for sale due to depreciation of Australia Dollar against the Singapore Dollar.

The increase in Other current assets was attributed mainly to S\$6.6 million deposits largely placed for the intended maternity home development in Shanghai Holland Village ("HSMV Project") and S\$1.5 million currency translation gains on appreciation of Renminbi against Singapore Dollar for assets denominated in Renminbi. The increase in Trade and other receivables was mainly due to S\$0.8 million increase in Wuxi Hospital's Trade receivables mainly pursuant to an increase in medical insurance claim amount incurred by the patients to be claimed from the local government, S\$0.8 million increase in Trade receivables resulted from the acquisition of JCSJ in Q1 2015, S\$0.9 million increase in amount owing by related company on guarantee income and S\$0.6 million increase in amount owing by related party due mainly for the profit guarantee on the results of Wuxi Hospital.

- (b) Non-current assets (comprising Goodwill on consolidation, Intangible assets, Lease prepayments, Investment properties, Investment properties under development, Other assets and Property, plant and equipment) increased by S\$19.5 million from S\$416.5 million at 31 December 2014 to S\$436.0 million at 31 March 2015, attributable mainly to S\$2.7 million increase in Goodwill on consolidation, S\$1.1 million in Intangible assets, S\$2.0 million in Lease prepayments, S\$2.1 million in Property, plant and equipment, and S\$8.8 million and S\$2.4 million increases in Investment properties and Investment properties under development respectively.

The increase in Goodwill on consolidation was mainly due to S\$0.7 million goodwill resulted from the acquisition of a subsidiary company and S\$2.0 million currency translation gain on appreciation of Renminbi against Singapore Dollar. The Intangible assets relates to various drug equipment and drug related licences through the acquisition of JCSJ. The increase in Property, plant and equipment was mainly due to acquisition of a subsidiary company in Q1 2015. The increase in Investment properties was mainly due to currency translation gain on appreciation of Japanese Yen against Singapore Dollar for the Japan Nursing Homes, while the increase in Investment properties under development was due mainly to costs capitalised of S\$2.2 million mainly on development charge and staff costs incurred in relation to the construction projects in the current financial period.

- (c) Current liabilities (comprising Trade and other payables, Borrowings and Income tax liabilities) decreased by S\$28.2 million from S\$177.8 million at 31 December 2014 to S\$149.6 million at 31 March 2015 due mainly to S\$28.1 million decrease in Borrowings, attributable mainly to the repayment of higher interest loans using the net proceeds from the S\$50 million Medium Term Notes ("MTN") issued in Q1 2015.
- (d) Non-current liabilities (comprising Trade and other payables, Borrowings and Deferred tax liabilities) increased by S\$42.8 million from S\$210.7 million at 31 December 2014 to S\$253.5 million at 31 March 2015, attributed mainly to S\$42.1 million increase in non-current borrowings. The increase in non-current borrowings was due mainly to S\$48.9 million net proceeds from MTN issued during the current period and S\$4.6 million on currency translation difference, offset by S\$11.4 million repayment of higher interest loans.



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- (e) Shareholders' equity increased by S\$6.7 million from S\$203.9 million at 31 December 2014 to S\$210.6 million at 31 March 2015, due mainly to S\$6.1 million currency translation difference and S\$0.6 million profit for the current financial period ended 31 March 2015.

Cashflow and Working Capital

- (a) Net cash generated from operations of S\$5.3 million in Q1 2015 arose from profit after tax of S\$0.7 million, adjusted for non-cash items amounting to S\$6.3 million, cash outflow from a net decrease in working capital of S\$1.7 million attributed mainly to increase in Trade and other receivables of S\$2.8 million, offset by increase in Trade and other payables of S\$1.2 million. After the net payment of interest and tax amounting to S\$6.4 million, net cash used in operating activities in Q1 2015 was S\$1.1 million.

Net cash used in investing activities of S\$12.6 million in Q1 2015 pursuant to mainly additions to Investment properties under development of S\$2.2 million, S\$6.7 million on deposits placed, S\$1.7 million addition to Lease prepayments and S\$2.0 million on acquisition of subsidiary companies.

Net cash provided by financing activities of S\$6.2 million in Q1 2015 comprised mainly of net proceeds from borrowings of S\$50.1 million mainly from MTN, offset by repayment of S\$2.3 million of advances from related parties and certain shareholders, and S\$41.6 million repayment of borrowings during the current financial period.

Based on the above, Cash and cash equivalents decreased by S\$6.6 million (including S\$0.9 million currency translation difference) from S\$27.3 million at 31 December 2014 to S\$20.6 million at 31 March 2015, excluding S\$3.75 million pledged in fixed deposits.

- (b) As at 31 March 2015, the Group had net positive working capital of S\$33.7 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to the shareholders for the current financial period.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Healthcare continues to be a growth sector with continual increase demand in private healthcare spurred by the rising wealth in Asia and the ageing population in the Asia markets.

Pursuant to the demand for higher quality healthcare, low supply base and the changes in public policies and healthcare reforms adopted by the governments, the Group believes that the outlook for the integrated healthcare services and facilities industry in Malaysia, Japan and China remains favorable. We will continue developing our Asia-centric portfolio of healthcare services and integrated medical real estates.

The Group will continue to pursue the implementation of its business strategies and future plans to enlarge its asset portfolio of healthcare services and facilities.

The Company received an Advisory Letter from ACRA dated 8 May 2015 requesting the Company to consider engaging a professional valuer to identify and recognise intangible assets separately from the goodwill recognised in the FY2013 Financial Statements. The Advisory Letter carries no regulatory sanctions.

The Board will follow ACRA's recommendation and is in the process of appointing a suitable professional valuer. The Board is currently unable to assess if there will be any impact on the financial statements of the Group until such valuation is completed. The Company will update shareholders if and when there are any material developments on this matter.

11. If a decision regarding dividend has been made :-

- (a) **Whether an interim/final ordinary dividend has been declared/recommended; and**

None.



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11. (b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the financial period ended 31 March 2015.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Other than the Restructuring Exercise and interested person transactions as disclosed on pages 103 and 104; and pages 171 and 174 of the offer document dated 1 July 2013 respectively, there were no other interested person transactions of S\$100,000 and above during the financial period under review.

The Group does not have a general mandate from shareholders for the recurrent interested person transactions.

14. Use of IPO net proceeds

	Amount allocated (as disclosed in the offer document dated 1 July 2013) S\$'000	Amount utilised as at the date of this Announcement S\$'000	Balance of net proceeds as at the date of this Announcement S\$'000
Development and redevelopment of our existing projects	10,000	10,000	-
Acquisition of our pending projects	8,000	8,000	-
Purchase and/or upgrade of medical equipment	500	-	500
Working capital *	4,230	4,230	-
	<u>22,730</u>	<u>22,230</u>	<u>500</u>

Note:-

* Amount for working capital has been utilised for the repayment of borrowings and interest expense.

The above utilisations are in accordance with the intended use of the IPO net proceeds and percentage allocated, as stated in the offer document dated 1 July 2013.



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Confirmation of Negative Assurance by the Board of Directors Pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited

Other than disclosed in paragraph 10 of this announcement, we, Jong Hee Sen and Chia Kwok Ping, being two of the directors of International Healthway Corporation Limited (the "Company"), do hereby confirm on behalf of the board of directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited financial results for the 3 months ended 31 March 2015 to be false or misleading in any material aspect.

On behalf of the board of directors

Chia Kwok Ping
Executive Director and Chief Executive Officer
International Healthway Corporation Limited

15 May 2015