

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

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

ISSUANCE OF 26,750,811 NEW ORDINARY SHARES IN THE CAPITAL OF INTERNATIONAL HEALTHWAY CORPORATION LIMITED (THE “COMPANY”)

1. INTRODUCTION

The Board of Directors (the “**Board**”) of International Healthway Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that it has on 17 April 2015, issued 26,750,811 new ordinary shares in the capital of the Company (the “**New Shares**”), to Bank Muamalat Malaysia Berhad (“**BMMB**”), the holding company of Muamalat Venture Sdn. Bhd. (“**MVSB**”), towards the settlement of a portion of the financing arrangement amounting to MYR20,000,000 (equivalent to S\$7,487,551.94), pursuant to the shirkah joint venture agreement dated 9 June 2014 entered into by the Company with MVSB based on Islamic financing principles (the “**Financing Arrangement**”).

Pursuant to the terms of the Financing Arrangement, the Company and MVSB agreed to settle MYR2,200,000 via cash and the remaining MYR20,000,000 via the issuance of 26,750,811 New Shares to BMMB at S\$0.2799 per New Share (being the 15-day volume weighted average price up to two (2) business days prior to the maturity date of the Financing Arrangement) (“**Issue Price**”). The maturity date of the Financing Arrangement is 27 February 2015 (“**Maturity**”).

The Company considers the repayment of a major portion of the financing arrangement in the form of equity to be advantageous to the Group as it will, *inter alia*, ease the cash flow position of the Group and is in the long term interest of the Group.

MVSB is an Islamic venture capital company, which is wholly owned by BMMB and is primarily involved in the business of providing Islamic venture capital business, financing, debt financing, equity finance, research and development, and venture fund. MVSB has authorised the Company to issue the New Shares to its holding company, BMMB. MVSB and BMMB do not fall within the categories set out in Rule 812(1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

2. DETAILS OF THE NEW SHARES

The New Shares are issued free from all claims, pledges, mortgages, charges, liens and encumbrances and ranks in all respects *pari passu* with the then existing issued ordinary shares in the capital of the Company (“**Shares**”) at the time of the issue except that the New Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of the issue of the New Shares.

The New Shares have been issued pursuant to the authority granted by shareholders of the Company (“**Shareholders**”) by way of an ordinary resolution at an annual general meeting of the Company held on 30 April 2014 (“**2014 AGM**”) for the issue of shares not exceeding 100% of the total number of issued Shares (excluding treasury shares) as at the date of the 2014 AGM, of which the aggregate number of shares to be issued other than on a pro-rata basis to the existing shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares) (the “**Share Issue Mandate**”).

The number of issued Shares as at the date of the 2014 AGM was 1,632,313,792 shares and the maximum number of Shares to be issued other than on a pro-rata basis is 816,156,896 Shares. The allotment and issuance of 26,750,811 New Shares falls within the limits of the Share Issue Mandate.

Pursuant to the allotment and issuance of the 26,750,811 New Shares, the Company's issued and paid-up share capital has increased from 1,632,313,792 Shares to 1,659,064,603 Shares. The New Shares represents 1.64% of the existing issued and paid-up share capital of the Company prior to the allotment and issuance of the New Shares and approximately 1.61% of the enlarged issued and paid-up share capital of the Company following the allotment and issuance of the New Shares.

The Issue Price of S\$0.2799 for each New Share represents a discount of approximately 0.004% to the weighted average price of S\$0.2800 for trades done on the Company's Shares on the SGX-ST for the full market day on 26 February 2015 (being the market day preceding the Maturity).

3. ADDITIONAL LISTING APPLICATION

The sponsor of the Company (the "**Sponsor**"), PrimePartners Corporate Finance Pte. Ltd., had made an application on behalf of the Company to the SGX-ST for the dealing in, listing of and quotation for the New Shares on Catalist of the SGX-ST ("**LQN**") and the LQN was received on 2 April 2015, and is subject to the compliance of the Company with the SGX-ST's listing requirements. The LQN is not to be taken as an indication of the merits of the issuance of the New Shares, the New Shares, the Company, its subsidiaries and their securities.

4. CONFIRMATION BY THE DIRECTORS

The Directors are of the opinion that after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the aforementioned, the Company considers the repayment of the Financing Arrangement in the form of equity to be advantageous to the Group as it will, *inter alia*, ease the cash flow position of the Group and is in the long term interest of the Group.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or substantial Shareholders of the Company has any interest, direct or indirect, in the issuance of the New Shares (other than through their shareholdings in the Company).

BY ORDER OF THE BOARD

Dr Jong Hee Sen
Non-Executive Chairman
17 April 2015

*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.