

CIRCULAR DATED 29 JUNE 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee. If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited, you need not forward this Circular to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

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 049418, telephone (65) 6229 8088.



INTERNATIONAL HEALTHWAY CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201304341E)
(In receivership over charged shares in certain subsidiaries)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED AMENDMENT TO THE LOAN FROM TREASURE INTERNATIONAL HOLDINGS PTE. LTD. AS AN INTERESTED PERSON TRANSACTION**
- (2) THE PROPOSED AMENDMENT TO THE LOAN FROM OUE TREASURY PTE. LTD. AS AN INTERESTED PERSON TRANSACTION**

Independent Financial Adviser in relation to the Proposals



PROVENANCE CAPITAL PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200309056E)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Forms : 12 July 2017 at 3.00 p.m.

Date and time of Extraordinary General Meeting : 14 July 2017 at 3.00 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2:30 p.m. on the same day and at the same place)

Place of Extraordinary General Meeting : Mandarin Orchard Singapore, Imperial Ballroom
Level 35, Orchard Wing
333 Orchard Road
Singapore 238867

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

“Amended OUE Treasury Loan”	:	Has the meaning ascribed to it in Section 3.1 of this Circular
“Amended OUE Treasury Loan Interest Rate”	:	Has the meaning ascribed to it in Section 3.1 of this Circular
“Amended TIHPL Loan”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“Amended TIHPL Loan Interest Rate”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“Annual General Meeting”	:	The annual general meeting of the Company to be held on 14 July 2017 at 2:30 p.m.
“associate”	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“associated company”	:	Any company in which at least 20% but not more than 50% of its shares are held by the listed company or the listed group
“Board”	:	The board of Directors of the Company as at the date of this Circular
“Catalist”	:	The Catalist Board of the SGX-ST
“Catalist Rules”	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 29 June 2017
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
“Company”	:	International Healthway Corporation Limited

DEFINITIONS

“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	A person who holds directly or indirectly 15% or more of the total votes attached to all voting shares of the Company or a person who in fact exercises control over the Company
“Directors”	:	The directors of the Company for the time being
“Effective Date”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be held on 14 July 2017 at 3.00 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2:30 p.m. on the same day and at the same place), notice of which is given on page 29 of this Circular
“Existing Two Tiered TIHPL Loan Interest Rate”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“FY”	:	The financial year ended or ending 31 December
“Group”	:	The Company and its subsidiaries
“IFA”	:	Provenance Capital Pte. Ltd., the independent financial adviser to the Directors in relation to the Loans
“IFA Letter”	:	The letter dated 29 June 2017 from the IFA to the Directors in relation to the Loans, as set out in Appendix A
“Latest Practicable Date”	:	21 June 2017, being the latest practicable date prior to the printing of this Circular
“Lease”	:	Has the meaning ascribed to it in Section 5.5 of this Circular
“Lenders”	:	TIHPL and OUE Treasury
“Loans”	:	The Amended TIHPL Loan and the Amended OUE Treasury Loan, collectively
“Notice of EGM”	:	The Notice of EGM set out on page 29 of this Circular
“NTA”	:	Net tangible assets attributable to owners of the Company
“Outstanding OUE Treasury Loan”	:	Has the meaning ascribed to it in Section 3.1 of this Circular
“Outstanding TIHPL Loan”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“OUE”	:	OUE Limited
“OUE Group”	:	OUE and its subsidiaries
“OUE Treasury”	:	OUE Treasury Pte. Ltd., a wholly-owned subsidiary of OUE
“OUE Treasury Loan”	:	The loan granted by OUE Treasury to the Company on 24 April 2017, which was subsequently amended on 21 June 2017, up to an aggregate amount of S\$45,000,000

DEFINITIONS

“OUEI”	:	OUE Investments Pte. Ltd.
“Proposals”	:	Has the meaning ascribed to it in Section 1 of this Circular
“Register of Members”	:	The register of members of the Company
“Securities Account”	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares in the Register of Members, except that where the registered holder is the CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose securities accounts maintained with CDP are credited with Shares
“Shares”	:	The ordinary shares in the capital of the Company
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.
“Substantial Shareholder”	:	A Shareholder who has an interest or interests in one (1) or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
“S\$” and “cents”	:	Singapore dollars and cents, being the lawful currency of the Republic of Singapore
“TIHPL”	:	Treasure International Holdings Pte. Ltd., a wholly-owned subsidiary of OUE
“TIHPL Loan”	:	The loan granted by TIHPL to the Company on 24 February 2017, which was subsequently amended on 24 April 2017, up to an aggregate amount of S\$130,000,000
“%”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular only shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Catalist Rules or any modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the Catalist Rules or any modification thereof, as the case may be, unless otherwise provided.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

DEFINITIONS

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date respectively, unless otherwise specified.

Any discrepancies in figures included in this Circular between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201304341E)
(In receivership over charged shares in certain subsidiaries)

Board of Directors

Roger Tan Chade Phang (Independent Director)
Eric Sho Kian Hin (Independent Director)
Jackson Tay Eng Kiat (Independent Director)

Registered Office:

9 Battery Road
#15-01
Singapore 049910

29 June 2017

To: The Shareholders of International Healthway Corporation Limited

Dear Sir/Madam,

- (1) **THE PROPOSED AMENDMENT TO THE LOAN FROM TIHPL AS AN INTERESTED PERSON TRANSACTION**
- (2) **THE PROPOSED AMENDMENT TO THE LOAN FROM OUE TREASURY AS AN INTERESTED PERSON TRANSACTION**

1. INTRODUCTION

As at the date of this Circular, the Company has received the OUE Treasury Loan and the TIHPL Loan from the wholly-owned subsidiaries of OUE, namely OUE Treasury and TIHPL respectively. OUE is the ultimate controlling shareholder of the Company which, directly and indirectly, owns an aggregate 86.16% of the issued Shares of the Company.

Further to the aforesaid, OUE Treasury and TIHPL respectively propose to amend the interest rate of the OUE Treasury Loan and TIHPL Loan (collectively, “**Proposals**”).

The purpose of this Circular is to provide Shareholders with information relating to the Proposals, and to seek Shareholders’ approval for the same as ordinary resolutions at the EGM. Shareholders should note that the each of the resolutions as set out in the Notice of EGM is not inter-conditional on each other.

Further details of the Loans and the Proposals are set out below in this Circular.

The Lenders under the Loans are considered “interested persons” for the purposes of Chapter 9 of the Catalyst Rules (further details of the relevant Catalyst Rules can be found in Section 5 of this Circular). The aggregate value of transactions with such interested persons (inclusive of the OUE Treasury Loan and the TIHPL Loan) do not exceed 5% of the Group’s latest audited NTA as at 31 December 2016, and hence do not require to be approved by Shareholders under Chapter 9 of the Catalyst Rules. However, the Proposals will result in the value of the transactions with such interested persons to exceed 5% of the Group’s latest audited NTA of S\$131,697,000 as at 31 December 2016. Accordingly, pursuant to Chapter 9 of the Catalyst Rules, Shareholders’ approval is now required for the Proposals to take effect.

The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular including the correctness of any of the statements made, reports contained or opinions expressed in this Circular. If a Shareholder is in doubt as to the action he should take, he should consult his stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

LETTER TO SHAREHOLDERS

2. THE TIHPL LOAN AND THE PROPOSED AMENDED TIHPL LOAN

2.1 Background

On 26 February 2017, the Company announced that it had entered into a loan agreement on 24 February 2017 with TIHPL, pursuant to which TIHPL agreed to lend the Company up to an aggregate amount of S\$50 million at an interest rate of 4% per annum, for the Company's working capital requirements and/or day-to-day operations. TIHPL subsequently agreed by way of an agreement on 24 April 2017 to increase the quantum of the TIHPL Loan by an additional S\$80 million. Further to this, the aggregate amount of TIHPL Loan which TIHPL agreed to grant was S\$130 million at the following interest rates:

- (a) in respect of the part of loans of up to the aggregate amount of S\$50 million, at the interest rate of 4% per annum; and
- (b) in respect of the part of loans of more than S\$50 million and up to the aggregate amount of S\$130 million at the interest rate of 3% per annum,

(the “**Existing Two Tiered TIHPL Loan Interest Rate**”).

It is proposed that the interest rate of the TIHPL Loan be amended to a standard interest rate of 4% per annum (“**Amended TIHPL Loan Interest Rate**”) to be applied to the entire aggregate amount of S\$130 million of the TIHPL Loan.

Accordingly, the TIHPL Loan with the Amended TIHPL Loan Interest Rate (“**Amended TIHPL Loan**”) is subject to Shareholders' approval at the EGM as Resolution 1.

Shareholders should note that under the terms of the TIHPL Loan, the loan amount may be increased to such higher amount as TIHPL may agree to. However, for purposes of the Proposals, Shareholders' approval is being sought for the Amended TIHPL Loan Interest Rate to apply to a maximum loan amount of S\$130 million in respect of the Amended TIHPL Loan. In the event that the loan amount is increased to above S\$130 million, the Company will comply with the requirements under Chapter 9 of the Rules of Catalist and any other regulatory requirements to determine if an announcement or Shareholders' approval is required for the additional loan amount.

For the avoidance of doubt, subject to approval by the Shareholders at the EGM, the Amended TIHPL Loan Interest Rate will apply to the amounts already drawn down and which remain outstanding, as well as any further amounts drawn down under the Amended TIHPL Loan on and after 14 July 2017 (the “**Effective Date**”).

Shareholders should also note that in the event the Amended TIHPL Loan is not approved at the EGM, the Amended TIHPL Loan Interest Rate will not apply, however, the TIHPL Loan will remain in effect at the Existing Two Tiered TIHPL Loan Interest Rate.

As at the Latest Practicable Date, the Company has drawn down approximately S\$124,999,724 on the TIHPL Loan, which has not been repaid and remains outstanding (“**Outstanding TIHPL Loan**”), and the outstanding accrued interest on the TIHPL Loan, computed using the Existing Two Tiered TIHPL Loan Interest Rate, is approximately S\$800,941.

For illustration and comparison purposes, based on the Group's latest audited NTA as at 31 December 2016 and assuming that each of the TIHPL Loan and the Amended TIHPL Loan are fully drawn down for a period of 12 months, the interest payable under each of the TIHPL Loan and the Amended TIHPL Loan is as follows:

	TIHPL Loan	Amended TIHPL Loan
Interest payable per annum	S\$4,400,000 ⁽¹⁾	S\$5,200,000 ⁽²⁾
Interest payable per annum, as a % of the Group's latest audited NTA as at 31 December 2016	3.34%	3.95%

LETTER TO SHAREHOLDERS

Notes:

(1) Computed based on the Existing Two Tiered TIHPL Loan Interest Rate.

(2) Computed based on the Amended TIHPL Loan Interest Rate.

2.2 Principal Terms of the Amended TIHPL Loan

Subject to Shareholders' approval being obtained at the EGM, the principal terms of the Amended TIHPL Loan will be as follows:

Principal Amount : S\$130 million⁽¹⁾

Draw down Date : The Company may by notice in writing request to draw down a loan from time to time, accompanied by such information and documentary evidence as TIHPL may require. Each draw down is subject to TIHPL's prior written approval.

Repayment : Each loan shall be repayable after one calendar month from the draw down date. Notwithstanding the foregoing, all loans shall be repayable upon first demand by TIHPL.

Interest Rate : Interest is chargeable at 4% per annum.

Default interest is chargeable on any sum in default from the date of demand until the date of payment (both dates inclusive) calculated on a daily basis of 6% per annum.

Security : A debenture creating a fixed and floating charge over all the Company's assets as been granted in favour of TIHPL.

Use of loan : Each loan shall be used exclusively for the Company's working capital requirements and/or day-to-day operations as specifically set out in the loan request and for no other purpose.

Note:

(1) Under the terms of the TIHPL Loan, the loan amount may be increased to such higher amount as TIHPL may agree to. However, for purposes of the Proposals, Shareholders' approval is being sought for the Amended TIHPL Loan Interest Rate to apply to a maximum loan amount of S\$130 million in respect of the Amended TIHPL Loan.

The abovementioned terms were agreed between the Company and TIHPL, taking into account TIHPL's approximate cost of funds, the prevailing external lending rates, and the Company's financing needs for its immediate to medium term payment obligations.

3. THE OUE TREASURY LOAN AND THE PROPOSED AMENDED OUE TREASURY LOAN

3.1 Background

On 24 April 2017, the Company entered into an agreement with OUE Treasury, pursuant to which OUE Treasury agreed to extend the OUE Treasury Loan to the Company, being an interest-free loan of up to an aggregate amount of S\$15 million. OUE Treasury subsequently agreed by way of a supplemental agreement on 21 June 2017, to increase the quantum of the OUE Treasury Loan by an additional S\$30 million. Further to this, the aggregate amount of the OUE Treasury Loan which OUE Treasury agreed to grant to the Company was S\$45 million on an interest-free basis.

It is proposed that interest be charged for the entire aggregate amount of S\$45 million of the OUE Treasury Loan at 4% per annum ("**Amended OUE Treasury Loan Interest Rate**").

Accordingly, the OUE Treasury Loan with the Amended OUE Treasury Loan Interest Rate ("**Amended OUE Treasury Loan**") is subject to Shareholders' approval at the EGM as Resolution 2.

LETTER TO SHAREHOLDERS

Shareholders should note that under the terms of the OUE Treasury Loan, the loan amount may be increased to such higher amount as OUE Treasury may agree to. However, for purposes of the Proposals, Shareholders' approval is being sought for the Amended OUE Treasury Loan Interest Rate to apply to a maximum loan amount of S\$45 million in respect of the Amended OUE Treasury Loan. In the event that the loan amount is increased to above S\$45 million, the Company will comply with the requirements under Chapter 9 of the Rules of Catalist and any other regulatory requirements to determine if an announcement or Shareholders' approval is required for the additional loan amount.

For the avoidance of doubt, subject to approval by the Shareholders at the EGM, the Amended OUE Treasury Loan Interest Rate will apply to the amounts already drawn down and which remain outstanding, as well as any further amounts drawn down, under the Amended OUE Treasury Loan on and after the Effective Date.

Shareholders should also note that in the event the Amended OUE Treasury Loan is not approved at the EGM, the Amended OUE Treasury Loan Interest Rate will not apply to the OUE Treasury Loan, and the OUE Treasury Loan will remain as an interest-free loan.

As at the Latest Practicable Date, the Company has drawn down approximately S\$11,383,945 on the OUE Treasury Loan, which has not been repaid and remains outstanding ("**Outstanding OUE Treasury Loan**") and there is no outstanding accrued interest on the interest-free OUE Treasury Loan. The Company may draw down further on the OUE Treasury Loan in the near-term.

For illustration and comparison purposes, based on the Group's latest audited NTA as at 31 December 2016 and assuming that each of the OUE Treasury Loan and the Amended OUE Treasury Loan are fully drawn down for a period of 12 months, the interest payable under each of the OUE Treasury Loan and the Amended OUE Treasury Loan are as follows:

	OUE Treasury Loan	Amended OUE Treasury Loan
Interest payable per annum	Nil ⁽¹⁾	S\$1,800,000 ⁽²⁾
Interest payable per annum, as a % of the Group's latest audited NTA as at 31 December 2016	Nil	1.37%

Notes:

(1) The OUE Treasury Loan is interest-free.

(2) Computed based on the Amended OUE Treasury Loan Interest Rate.

3.2 Principal Terms of the Amended OUE Treasury Loan

Subject to Shareholders' approval being obtained at the EGM, the principal terms of the Amended OUE Treasury Loan are as follows:

Principal Amount : S\$45 million⁽¹⁾

Draw down Date : The Company may by notice in writing request to draw down a loan from time to time, accompanied by such information and documentary evidence as OUE Treasury may require. Each draw down is subject to OUE Treasury's prior written approval.

Repayment : Each loan shall be repayable after one calendar month from the draw down date. Notwithstanding the foregoing, all loans shall be repayable upon first demand by OUE Treasury.

LETTER TO SHAREHOLDERS

Interest Rate : Interest is chargeable at 4% per annum.

Default interest is chargeable on any sum in default from the date of demand until the date of payment (both dates inclusive) calculated on a daily basis of 6% per annum.

Security : The OUE Treasury Loan is unsecured.

Use of loan : Each loan shall be used exclusively for the Company's working capital requirements and/or day-to-day operations as specifically set out in the loan request and for no other purpose.

Note:

- (1) Under the terms of the OUE Treasury Loan, the loan amount may be increased to such higher amount as OUE Treasury may agree to. However, for purposes of the Proposals, Shareholders' approval is being sought for the Amended OUE Treasury Loan Interest Rate to apply to a maximum loan amount of S\$45 million in respect of the Amended OUE Treasury Loan.

The abovementioned terms were agreed between the Company and OUE Treasury, taking into account OUE Treasury's approximate cost of funds, the prevailing external lending rates, and the Company's financing needs for its immediate to medium term payment obligations.

4. RATIONALE FOR AND BENEFITS OF THE LOANS AND PROPOSALS

The Loans are extended to the Company to fund its working capital requirements and/or day-to-day operations.

Both TIHPL and OUE Treasury are wholly-owned subsidiaries of OUE, being the Company's ultimate controlling shareholder. As announced by the Company on 21 February 2017, OUE had issued a comfort letter to the Company which stated, *inter alia*, OUE's long-term intention to work towards stabilising the Company's business and financial position. The Loans have been extended to the Company in furtherance of such intention.

The Company is seeking Shareholders' approval for the Proposals in view that the Loans provide the Company with an injection of funds for working capital purposes and to meet its immediate to medium-term payment obligations.

5. THE LOANS AS INTERESTED PERSON TRANSACTIONS

5.1 Chapter 9 of the Catalyst Rules

Chapter 9 of the Catalyst Rules governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be entities at risk, with the listed company's interested persons. Under Chapter 9 of the Catalyst Rules, where a listed company or any of its subsidiaries or any of its associated companies which is an entity at risk proposes to enter into transactions with the listed company's interested persons, the listed company is required to seek shareholders' approval if the value of the transaction (either in itself or aggregated with the value of other transactions with the same interested person) is equal to or exceeds 5% of the Group's latest audited NTA. For the avoidance of doubt, the requirement for shareholders' approval does not apply to any transaction below S\$100,000.

For the purposes of Chapter 9 of the Catalyst Rules:

- (i) **"approved exchange"** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalyst Rules.

LETTER TO SHAREHOLDERS

- (ii) **“entity at risk”** means:
 - (a) the listed company;
 - (b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.
- (iii) **“interested person”** means:
 - (a) a director, chief executive officer, or controlling shareholder of the listed company; or
 - (b) an associate of any such director, chief executive officer, or controlling shareholder.
- (iv) **“interested person transaction”** means a transaction between an entity at risk and an interested person.

5.2 The Amended TIHPL Loan as an Interested Person Transaction

As at the Latest Practicable Date, TIHPL directly holds 1,067,310,492 Shares representing approximately 64.33% of the issued and paid-up capital of the Company. As such, TIHPL is considered a Controlling Shareholder and the Amended TIHPL Loan constitutes an interested person transaction under Chapter 9 of the Catalist Rules. TIHPL is also a wholly-owned subsidiary of OUE, the ultimate controlling shareholder of the Company and a related corporation of OUE Treasury.

5.3 The OUE Treasury Loan as an Interested Person Transaction

OUE Treasury is a wholly-owned subsidiary of OUE, the ultimate controlling shareholder of the Company which has direct and indirect interests in an aggregate of 1,429,514,500 Shares, representing 86.16% of the issued and paid-up share capital of the Company as at the Latest Practicable Date.

As such, OUE Treasury is considered an associate of OUE and an interested person of the Company. Accordingly, the OUE Treasury Loan constitutes an interested person transaction under Chapter 9 of the Catalist Rules.

5.4 Materiality Threshold under Chapter 9 of the Catalist Rules

Both OUE Treasury and TIHPL are wholly-owned subsidiaries of OUE and are members of the OUE Group. Accordingly, pursuant to Rule 908 of the Catalist Rules, OUE Treasury and TIHPL are deemed to be the same interested person for the purposes of aggregation in Rule 906 of the Catalist Rules.

Based on the latest audited consolidated financial statements of the Group for FY2016, the consolidated audited NTA as at 31 December 2016 was approximately S\$131,697,000. 3% and 5% of the latest audited consolidated NTA would therefore be approximately S\$3,951,000 and S\$6,585,000, respectively.

LETTER TO SHAREHOLDERS

As illustrated in Sections 2.1 and 3.1 of the Circular, assuming that each of the Amended TIHPL Loan and the Amended OUE Treasury Loan are fully drawn down for a period of 12 months respectively, the interest payable per annum by the Company to TIHPL and OUE Treasury calculated at the proposed amended interest rate of 4% per annum for both Loans would be S\$5,200,000 and S\$1,800,000 respectively.

Based on the above computation and pursuant to Rule 908 of the Catalist Rules, the total interest payable per annum by the Company to the Lenders pursuant to the Loans would be approximately S\$7,000,000 which amounts to approximately 5.32% of the Group's latest audited NTA of S\$131,697,000 as at 31 December 2016. Accordingly, the Proposals are interested person transactions which are subject to the approval of Shareholders at the EGM pursuant to Rule 906(1) of the Catalist Rules.

5.5 Total Value of Interested Person Transactions

Save for the TIHPL Loan, the OUE Treasury Loan and the Lease (as defined and disclosed below), there are no other interested person transactions (excluding transactions less than S\$100,000) which were entered into with the OUE Group or any other interested persons by the Company during the current financial year (i.e. FY2017) from 1 January 2017 up to the Latest Practicable Date.

The Company has accepted a letter of offer dated 7 April 2017 from Alkas Realty Pte Ltd, an indirect wholly-owned subsidiary of OUE, for the lease of office premises ("**Lease**"). The Lease is for a term of 3 years commencing on or around July 2017. Pursuant to the Lease, the Company shall pay a monthly rental of S\$13,562 per month and a service charge of S\$2,455 per month, which is equivalent to an aggregate amount of approximately S\$576,634 which is payable by the Company to Alkas Realty Pte Ltd for the entire lease period of 3 years. The monthly rental and service charge were determined based on prevailing market rates. As at the Latest Practicable Date, no rental or service charge has been paid to Alkas Realty Pte Ltd in respect of the Lease.

For the avoidance of doubt, the Lease, when aggregated with the value of transactions between the Company and certain members of the OUE Group (being the OUE Treasury Loan and the TIHPL Loan) did not exceed 3% of the Group's then latest audited NTA as at 31 December 2015, and hence the Lease was not required to be announced or approved by Shareholders under Chapter 9 of the Catalist Rules.

From 1 January 2017 up to the Latest Practicable Date, the aggregate value of all interested person transactions entered between the Company and certain members of the OUE Group (comprising the OUE Treasury Loan (interest free), the TIHPL Loan (assuming full draw down for a period of 12 months) and the Lease) is S\$4,976,634.

5.6 Review of Interested Person Transactions

The Board will in due course constitute an Audit and Risk Committee, which will review the Loans as interested person transactions on an ongoing basis in accordance with the Company's internal review procedures for interested person transactions, and the Audit and Risk Committee will determine a reasonable threshold for draw downs from the Loans which will require prior approval from the Audit and Risk Committee, so as to ensure that the Loans, as interested person transactions, remain on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

LETTER TO SHAREHOLDERS

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders (both direct and deemed) in the Shares as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders' Shareholdings of the Company are set out below:

	As at the Latest Practicable Date			
	Number of Shares			
	Direct Interest	Deemed Interest	Total Interest	% ⁽¹⁾
Directors				
Roger Tan Chade Phang	—	—	—	—
Eric Sho Kian Hin	—	—	—	—
Jackson Tay Eng Kiat	—	—	—	—
Substantial Shareholders (other than Directors)				
OUE ⁽²⁾	154,133,950	1,275,380,550	1,429,514,500	86.16
OUEI	208,070,058	—	208,070,058	12.54
TIHPL	1,067,310,492	—	1,067,310,492	64.33

Notes:

- (1) Based on the total number of issued Shares of 1,659,064,603 Shares as at the Latest Practicable Date.
- (2) OUE is the holding company of OUEI and TIHPL. Accordingly, OUE is deemed interested in the Shares held by OUEI and TIHPL.

7. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

Provenance Capital Pte. Ltd. has been appointed as an independent financial adviser to provide an opinion letter as to whether the Loans are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The IFA's opinion is extracted and set out in italics below:

"In arriving at our opinion in respect of the Shareholder's Loans with the Amendment Agreements as Interested Person Transactions, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:

- (a) rationale for and benefits of the Shareholder's Loans with the Amendment Agreements as Interested Person Transactions;*
- (b) key terms of the Shareholder's Loans, including the amended terms; and*
- (c) other relevant considerations.*

Overall, based on our analysis and after having considered carefully the information available to us, we are of the view that the Shareholder's Loans with the Amendment Agreements as Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its Minority Shareholders."

A copy of the IFA Letter dated 29 June 2017 is set out in Appendix A to this Circular. Shareholders are advised to read the IFA Letter carefully in its entirety.

LETTER TO SHAREHOLDERS

8. DIRECTORS' RECOMMENDATION

As at the date of this Circular, the current Board comprises only independent Directors of the Company, and no board committees have been constituted, hence the three (3) independent Directors, comprising the entire Board, have reviewed and considered, *inter alia*, the terms of and rationale for the Loans and the opinion of the IFA as set out in Appendix A of this Circular. Having done so, the Directors are satisfied that the Loans are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolutions relating to the Loans at the EGM.

9. ABSTENTION FROM VOTING

Pursuant to Rule 919 of the Catalist Rules, an interested person and any associate of the interested person shall abstain from voting on the resolutions approving interested person transactions involving them nor accept appointments as proxies unless specific instructions as to voting are given.

OUE, OUEI, TIHPL and/or their associates who are Shareholders shall abstain from voting on the ordinary resolutions relating to the Loans at the EGM. OUE, OUEI, TIHPL and/or their associates will also not act as proxies in relation to the ordinary resolutions relating to the Loans unless voting instructions have been given by the relevant Shareholder.

10. CONSENT OF THE INDEPENDENT FINANCIAL ADVISER

Provenance Capital Pte. Ltd., the independent financial adviser in respect of the Proposals, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA Letter, and all references thereto in the form and context in which they respectively appear in this Circular and to act in such capacity in relation to this Circular.

11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 29 of this Circular, will be held at Imperial Ballroom, Level 35, Orchard Wing at Mandarin Orchard Singapore, Imperial Ballroom, Level 35, Orchard Wing, 333 Orchard Road, Singapore 238867 on 14 July 2017 at 3.00 p.m.(or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2:30 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications the ordinary resolutions in respect of the Loans as set out in the Notice of EGM.

Shareholders should note that the resolutions set out in the Notice of EGM are not inter-conditional on each other.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached proxy form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 9 Battery Road, #15-01, Singapore 049910, not later than 48 hours before the time fixed for the EGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP to the Company at least 72 hours before the time fixed for the EGM.

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13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Loans and the Group and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 9 Battery Road, #15-01, Singapore 049910, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2016;
- (c) the loan agreement and debenture in relation to the TIHPL Loan;
- (d) the loan agreement in relation to the OUE Treasury Loan;
- (e) the IFA Letter; and
- (f) the written consent of the IFA referred to in Section 10 of this Circular.

Yours faithfully,

For and on behalf of the Board
International Healthway Corporation Limited
(In receivership over charged shares in certain subsidiaries)

Tay Eng Kiat Jackson
Director

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PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

29 June 2017

To: The Board of Directors of International Healthway Corporation Limited
(who are all deemed to be independent in respect of the Interested Person Transactions)

Mr Roger Tan Chade Phang (Independent Director)
Mr Eric Sho Kian Hin (Independent Director)
Mr Jackson Tay Eng Kiat (Independent Director)

Dear Sirs,

THE SHAREHOLDER'S LOANS WITH THE AMENDMENT AGREEMENTS AS INTERESTED PERSON TRANSACTIONS

Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to shareholders of International Healthway Corporation Limited ("Shareholders") dated 29 June 2017 ("Circular").

1. INTRODUCTION

- 1.1 In February 2017, OUE Limited ("**OUE**") and its subsidiaries ("**OUE Group**") acquired majority control in International Healthway Corporation Limited ("**IHC**" or "**Company**", and together with its subsidiaries, "**Group**"). This led to the launch of the mandatory unconditional cash offer for all the remaining ordinary shares in the Company ("**Shares**"). As at the Latest Practicable Date, being 21 June 2017, the OUE Group owns 86.16% shareholding interest in the Company.

OUE is a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") with a market capitalisation of approximately S\$1,790.1 million as at the Latest Practicable Date.

As the major Shareholder, OUE had in February 2017 issued a comfort letter to the Company which sets out, *inter alia*, its long term intention to work towards stabilising the Company's business and financial position, and to maintain the Company's listing status on the Catalyst Board of the SGX-ST.

In connection with the above, Treasure International Holdings Pte. Ltd. ("**TIHPL**"), a wholly-owned subsidiary of OUE, had on 24 February 2017, extended a shareholder's loan to the Company for up to an aggregate amount of S\$50 million for the Company's working capital requirements and/or day-to-day operations. The above shareholder's loan amount was up-sized to S\$130 million on 24 April 2017 through a supplemental agreement ("**TIHPL Loan**").

On 24 April 2017, OUE Group through its wholly-owned subsidiary, OUE Treasury Pte. Ltd. ("**OUE Treasury**"), extended another shareholder's loan to the Company for up to an aggregate amount of S\$15 million to be used exclusively for the Company's working capital requirements and/or day-to-day operations ("**OUE Treasury Loan**").

On 21 June 2017, the OUE Treasury Loan was up-sized to S\$45 million through a supplemental agreement of even date.

- 1.2 The Company and the OUE Group propose to standardize the interest rate for all the shareholder's loans, totalling up to an aggregate amount of S\$175 million, at 4% per annum via the respective proposed amendment agreements ("**Amendment Agreements**").
- 1.3 As the OUE Group is deemed as an interested person ("**Interested Person**") pursuant to Chapter 9 of the Listing Manual Section B: Catalyst Rules of the SGX-ST ("**Catalist Rules**"),

PROVENANCE CAPITAL PTE. LTD.

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accordingly the shareholder's loans from the OUE Group to the Company are each deemed as an interested person transaction ("**Interested Person Transaction**" or "**IPT**").

Rule 906 of the Catalist Rules requires an IPT of a value which is equal to or exceeds 5% of the group's latest audited net tangible assets ("**NTA**"), or when aggregated with other transactions entered into with the same interested person during the same financial year, to be subject to shareholders' approval of the company at an extraordinary general meeting ("**EGM**") ("**5% Threshold**").

Under Rule 909(3) of the Catalist Rules, in the case of borrowing of funds from an interested person, the value of the IPT is the interest payable on the borrowings.

Based on the aggregate amount of shareholder's loans of up to S\$175 million from the OUE Group to the Company at the proposed standardized interest rate of 4% per annum, amounting to up to S\$7 million per annum, the Company envisages that the value of the IPTs with the OUE Group in each financial year is likely to exceed the 5% Threshold.

Based on the latest audited financial statements of the Group for the financial year ended 31 December 2016, which is to be tabled for adoption by Shareholders at the forthcoming AGM on 14 July 2017, the NTA value of the Group attributable to owners of the Company (after deducting intangible assets and goodwill) is S\$131.7 million as at 31 December 2016. Accordingly, the 5% Threshold, for the time being, is S\$6.6 million.

1.4 In summary, the shareholder's loans from the OUE Group to the Company ("**Shareholder's Loans**") comprise the following:

- (a) S\$130 million secured loan from TIHPL, referred to as the TIHPL Loan; and
- (b) S\$45 million unsecured loan from OUE Treasury, referred to as the OUE Treasury Loan.

The Amendment Agreements will be entered into following the approval by Shareholders for the Shareholder's Loans at the EGM.

Pursuant to Rule 906 and Rule 921(4) of the Catalist Rules, the Shareholder's Loans with the Amendment Agreements to these Shareholder's Loans are subject to Shareholders' approval at the EGM and the opinion of an independent financial adviser ("**IFA**") respectively. In this regard, Provenance Capital Pte. Ltd. ("**Provenance Capital**") has been appointed as the IFA to render an opinion on whether the Shareholder's Loans with the Amendment Agreements are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders ("**Minority Shareholders**"). Pursuant to Rule 919 of the Catalist Rules, OUE Group and its associates will abstain from voting on the ordinary resolutions relating to the Shareholder's Loans at the EGM.

The Company has confirmed that its Board of Directors (which currently comprises only the Independent Directors) are all deemed to be independent in respect of the Shareholder's Loans as IPTs ("**Directors**"). This letter ("**Letter**") is therefore addressed to the Directors and sets out, *inter alia*, our evaluation and opinion on the terms of the Shareholder's Loans (with the Amendment Agreements) as IPTs. This Letter forms part of the Circular to Shareholders which provides, *inter alia*, details of the Shareholder's Loans (with the Amendment Agreements) as IPTs and the recommendation of the Directors thereon.

2. TERMS OF REFERENCE

We have been appointed as the IFA to advise the Directors in respect of the Shareholder's Loans with the Amendment Agreements as Interested Person Transactions. We are not and were not involved or responsible, in any aspect, in the negotiations in relation to the Shareholder's Loans and/or the amendment of the Shareholder's Loans, nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Shareholder's Loans and/or the Amendment Agreements or to obtain the approval of the

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Minority Shareholders for the Interested Person Transactions, and we do not, by this Letter, warrant the merits of the Shareholder's Loans and/or the Amendment Agreements other than to express an opinion on whether the terms of the Shareholder's Loans with the Amendment Agreements as Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and the Minority Shareholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the Shareholder's Loans or the Amendment Agreements or to compare their relative merits *vis-à-vis* alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluation or comment. Such evaluation or comment, if any, remains the responsibility of the Directors and/or the management of the Company ("**Management**") although we may draw upon the views of the Directors and/or the Management or make such comments in respect thereof (to the extent deemed necessary and appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation, we have held discussions with the Directors and Management and their professional advisers (where applicable) and have examined and relied on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Directors, the Management and the professional advisers (where applicable) of the Company, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. Nevertheless, we have made reasonable enquiries and judgement as were deemed necessary and have found no reason to doubt the accuracy or reliability of the information and representations.

The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries and to the best of their respective knowledge and belief, information and representations as provided by the Directors and Management are accurate. They have also confirmed to us that, upon making all reasonable enquiries and to their best knowledge and belief, all material information available to them in connection with the Shareholder's Loans and the Amendment Agreements as Interested Person Transactions, the Company and/or the Group have been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us in relation to the Shareholder's Loans and the Amendment Agreement as Interested Person Transactions, the Company and the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and judgement as were deemed necessary and have found no reason to doubt the accuracy or reliability of the information and representations.

Save as disclosed, we would like to highlight that all information relating to the Shareholder's Loans, the relevant amendment agreements, the Company and the Group that we have relied upon in arriving at our recommendation or advice has been obtained from publicly available information and/or from the Directors and the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Company and/or the Group at any time or as at 21 June 2017, being the Latest Practicable Date referred to in the Circular.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company and/or the Group, or

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to express, and we do not express, any view on the future growth prospects, value and earnings potential of the Company and/or the Group after the drawdown and utilisation of the Shareholder's Loans. Such review or comments remain the responsibility of the Directors and the Management, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Catalist Rules and/or deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter. We have not obtained from the Company and/or the Group any projection of the future performance including financial performance of the Company and/or the Group, and further, we did not conduct discussions with the Directors and the Management, and did not have access to, any business plan and financial projections of the Company and/or the Group. In addition, we are not expressing any view as to the prices at which the Shares may trade or the future value, financial performance or condition of the Company and/or the Group, upon or after completion of the Interested Person Transactions.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment). As such, we will be relying on the disclosures and representations made by the Company on the value of the assets and liabilities, and profitability of the Company and/or the Group. We have not been furnished with any such evaluation or appraisal.

Our view as set out in this Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as at the Latest Practicable Date and the information and representations provided to us as of the Latest Practicable Date. In arriving at our opinion, with the consent of the Directors and/or the Company, we have taken into account certain factors and have made certain assumptions as set out in this Letter. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement which may be released by the Company after the Latest Practicable Date which is relevant to the Shareholder's Loans and Amendment Agreements as Interested Person Transactions.

In rendering our advice and giving our recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Minority Shareholder or any specific group of Minority Shareholders. As each Minority Shareholder may have different investment objectives and profiles, we recommend that any individual Minority Shareholder or group of Minority Shareholders who may require specific advice in relation to his or their investment portfolio(s) or objective(s) consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, whether expressed or implied, on the contents of the Circular (other than this Letter).

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, other than for the purposes of the Shareholder's Loans with the Amendment Agreements as Interested Person Transactions, at any time and in any manner, without the prior written consent of Provenance Capital in each specific case.

We have prepared this Letter for the use of the Directors in their consideration of the Shareholder's Loans with the Amendment Agreements as Interested Person Transactions and their recommendation to the Minority Shareholders arising thereof. The recommendation made to the Minority Shareholders in relation to the Shareholder's Loans with the Amendment Agreements as Interested Person Transactions remain the responsibility of the Directors.

Our opinion in relation to the Shareholder's Loans with the Amendment Agreements as Interested Person Transactions should be considered in the context of the entirety of this Letter and the Circular.

3. INFORMATION ON THE GROUP

3.1 Overview

The Company was incorporated in Singapore and listed on the Catalist board of the SGX-ST in 2013. The principal activity of the Company is that of investment holding and the Group is an integrated healthcare services and facilities provider with market presence in Singapore, Japan, China, Malaysia and Australia.

As at the Latest Practicable Date, the Company has outstanding 1,659,064,603 issued Shares. The Company does not have any outstanding treasury shares. Based on the last transacted Share price of S\$0.103 on the Latest Practicable Date, the market capitalisation of the Company is approximately S\$170.9 million.

The present Board of Directors, namely Mr Roger Tan Chade Phang, Mr Eric Sho Kian Hin and Mr Jackson Tay Eng Kiat, who are all non-executive independent directors, were appointed following the approval by Shareholders at the EGM on 23 January 2017.

As at the Latest Practicable Date, the OUE Group owns 86.16% shareholding interest in the Company.

3.2 Background leading to the Shareholder's Loans

On 23 January 2015, the Company established a S\$500 million multicurrency medium term note programme ("**MTN Programme**") under which the Company may issue unsecured notes ("**Notes**") from time to time for general corporate purposes, including financing investments, repayment of existing borrowings, general working capital and capital expenditure requirements of the Group or such other purposes.

Pursuant to one of the conditions of the Notes, a "Change of Shareholding Event" will occur when Mr Fan Kow Hin, Mr Aathar Ah Kong Andrew and Dr Jong Hee Sen and their immediate family members (as defined in the conditions of the Notes) cease to own in aggregate (whether directly or indirectly) at least 30% of the issued share capital of the Company. Upon the occurrence of a "Change of Shareholding Event", each holder of the Notes ("**Noteholder**") has an option to require the Company to redeem the Notes from such Noteholder.

On 6 February 2015, the Company issued the Series 1 Notes comprising S\$50 million principal amount of the Notes which bear interest at the fixed rate of 6% per annum payable semi-annually in arrear and will mature on 6 February 2018.

On 27 April 2015, the Company issued the Series 2 Notes comprising S\$50 million principal amount of the Notes which bear interest at the fixed rate of 7% per annum payable semi-annually in arrear and will mature on 27 April 2017.

On 16 February 2017, the OUE Group announced, *inter alia*, that it had owned 57.60% of all the Shares in the Company following the acquisition of a 35.77% shareholding interest from existing Shareholders. This also led to the launch of the mandatory unconditional cash offer by the OUE Group for all the remaining Shares.

In light of the above circumstances, the Company had prepared an announcement dated 17 February 2017 (and released on 18 February 2017) that it is of the view that a "change in shareholding event" under the MTN Programme had occurred and the Noteholders are entitled at their option to redeem their Notes.

Following from the above and in view of the Company's financial situation, the Company had approached OUE, and in response thereto, OUE had on 17 February 2017 issued a comfort letter ("**Comfort Letter**") to the Company, which sets out, *inter alia*, its long-term intention to work towards stabilising the Company's business and financial position, and to maintain the Company's listing status on the Catalist Board of the SGX-ST.

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On 24 February 2017, TIHPL entered into a loan agreement with the Company to extend the TIHPL Loan to the Company for a principal amount of up to S\$50 million for the Company's working capital requirements and/or day-to-day operations. The TIHPL Loan is repayable after one calendar month from the drawdown date. Notwithstanding this, all loans shall be repayable upon first demand by TIHPL. Interest is chargeable at 4% per annum, which approximates TIHPL's cost of funds. Default interest is chargeable on any sum in default from the date of demand until the date of payment (both dates inclusive) calculated on a daily basis at 6% per annum. The TIHPL Loan is secured on a fixed and floating charge over all the Company's assets.

On 24 April 2017, the TIHPL Loan amount was up-sized to S\$130 million through a supplemental agreement. The interest rate on the TIHPL Loan was amended to 4% per annum in respect of the loan amount of up to S\$50 million and 3% per annum in respect of the loan amount of more than S\$50 million and up to S\$130 million.

During the relevant time, certain Noteholders had exercised their options to the Company to redeem their Notes for an aggregate redemption value of S\$83,250,000. The Company had on 25 April 2017 redeemed the relevant amount in full. The Company had also announced on 27 April 2017 that it had redeemed in full all the Series 2 Notes upon its maturity date. The TIHPL Loan and the OUE Treasury Loan were utilised to, *inter alia*, fund the redemption of the above Notes.

As at the Latest Practicable Date, the Company has outstanding Series 1 Notes amounting to S\$5,750,000.

As at the Latest Practicable Date, the amount drawn down under the TIHPL Loan is S\$124,999,724 and the outstanding accrued interest on the TIHPL Loan is S\$800,941.

On 24 April 2017, the Company entered into a loan agreement with another OUE Group's subsidiary, OUE Treasury, for the OUE Treasury Loan for an aggregate amount of up to S\$15 million (or such higher amount as OUE Treasury may agree in its sole discretion). The above loan is also to be used exclusively for the Company's working capital requirements and/or day-to-day operations. The OUE Treasury Loan is repayable after one calendar month from the drawdown date. Notwithstanding this, all loans shall be repayable upon first demand by OUE Treasury. The OUE Treasury Loan is unsecured and is interest free. However, default interest is chargeable on any sum in default from the date of demand until the date of payment (both dates inclusive) calculated on a daily basis at 6% per annum.

On 21 June 2017, the OUE Treasury Loan was up-sized to S\$45 million through a supplemental agreement. The Company has indicated that it may draw down further from the upsized loan in early July 2017.

As at the Latest Practicable Date, the amount drawn down under the OUE Treasury Loan is S\$11,383,945 and there is no outstanding accrued interest on the OUE Treasury Loan as the loan is interest free.

The Company and the OUE Group propose to, *inter alia*, standardize the interest rate for all the shareholder's loans, presently totalling up to an aggregate amount of S\$175 million, at 4% per annum via the respective Amendment Agreements to the TIHPL Loan and the OUE Treasury Loan. The interest rate of 4% per annum approximates the cost of funds of TIHPL and OUE Treasury.

Accordingly, as the OUE Group, TIHPL and OUE Treasury are each deemed as an Interested Person, the Shareholder's Loans, comprising the TIHPL Loan and OUE Treasury Loan are each deemed as an IPT, and are subject to the approval of Shareholders at the forthcoming EGM. The Shareholder's Loans as IPTs are also subject to the opinion of the IFA, as the aggregate amount of the interest payable to the OUE Group on the Shareholder's Loans of up to S\$7 million is expected to exceed the 5% Threshold in a financial year.

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4. KEY TERMS OF THE SHAREHOLDER'S LOANS AND THE AMENDMENT AGREEMENTS

Details of the Shareholder's Loans and the Amendment Agreements are set out in Section 2 and Section 3 of the Circular.

Presently, the Company has in place the TIHPL Loan (of up to S\$130 million) and the OUE Treasury Loan (of up to S\$45 million).

The Company intends to enter into further supplemental agreements to amend the TIHPL Loan (as amended by the supplemental agreement dated 24 April 2017) and the OUE Treasury Loan (as amended by the supplemental agreement dated 21 June 2017), mainly to (a) standardize the interest rate of these loans at 4% per annum and (b) to clarify that the default interest rate on these loans shall be at 6% per annum. The proposed supplemental agreements are referred to as the Amendment Agreements in this Letter.

The TIHPL Loan presently has a two-tiered interest rate, at 4% per annum for the first S\$50 million and 3% per annum for amounts of more than S\$50 million. The intention is to align the interest rate to 4% for amounts of more than S\$50 million. As disclosed in the Circular, the interest rate of 4% per annum approximates the cost of funds of TIHPL.

The OUE Treasury Loan is presently non-interest bearing. It is also the intention of the Company to align the interest rate on the OUE Treasury Loan to 4% per annum which approximates the cost of funds of OUE Treasury as disclosed in the Circular.

For the avoidance of doubt, there is no change to the repayment terms and security of the existing TIHPL Loan, which is secured on the fixed and floating charge on all the Company's assets, and the OUE Treasury Loan which is unsecured.

As at the Latest Practicable Date, of the S\$130 million TIHPL Loan, approximately S\$125.0 million has been drawn down and of the S\$45 million OUE Treasury Loan, approximately S\$11.4 million has been drawn down. The Company has indicated that it may draw down further from the upsized OUE Treasury Loan in early July 2017.

If approved by Shareholders at the EGM, the interest rate on all the Shareholder's Loans will take effect from 14 July 2017 ("**Effective Date**").

A summary of the key terms of the Shareholder's Loans with the relevant amended terms is set out in the table below:

Key terms	TIHPL Loan	OUE Treasury Loan
Loan quantum	Aggregate amount of S\$130 million (or such higher amount as the lender may agree in its sole discretion)	Aggregate amount of S\$45 million (or such higher amount as the lender may agree in its sole discretion)
Interest rate	4% per annum ⁽¹⁾	4% per annum ⁽²⁾
Security	Fixed and floating charge over all the Company's assets	Unsecured
Use of loan	Exclusively for its working capital requirements and/or day-to-day operations	
Repayment terms	Repayable after one calendar month from the draw down date Notwithstanding the foregoing, all loans are repayable upon first demand by the lender	
Default interest	Chargeable on any sum in default from the date of demand until the date of repayment (both dates inclusive) calculated on a daily basis at the rate of 6% per annum	

Notes:

- (1) The current two-tiered interest rate on the TIHPL Loan will apply up to but before the Effective Date. From the Effective Date, such TIHPL Loan will be at the interest rate of 4% per annum.; and

- (2) The interest-free rate under the OUE Treasury Loan will apply up to but before the Effective Date. From the Effective Date, such OUE Treasury Loan will be at the interest rate of 4% per annum.

5. EVALUATION OF THE TERMS OF THE SHAREHOLDER'S LOANS WITH THE AMENDMENT AGREEMENTS AS INTERESTED PERSON TRANSACTIONS

In our evaluation of the Shareholder's Loans with Amendment Agreements as Interested Person Transactions, we have given due consideration to, *inter alia*, the following key factors:

- (a) rationale for and benefits of the Shareholder's Loans with the Amendment Agreements as Interested Person Transactions;
- (b) key terms of the Shareholder's Loans, including the amended terms; and
- (c) other relevant considerations.

5.1 Rationale for and benefits of the Shareholder's Loans with the Amendment Agreements as Interested Person Transactions

It is not within our terms of reference to comment or express an opinion on the merits of the Shareholder's Loans and the Amendment Agreements. Nevertheless, we have reviewed the Company's rationale for and benefits of the Shareholder's Loans with the Amendment Agreements as Interested Person Transactions as set out in Section 4 of the Circular and reproduced in *italics* below.

"The Loans are extended to the Company to fund its working capital requirements and/or day-to-day operations.

Both TIHPL and OUE Treasury are wholly-owned subsidiaries of OUE, being the Company's ultimate controlling shareholder. As announced by the Company on 21 February 2017, OUE had issued a comfort letter to the Company which stated, inter alia, OUE's long-term intention to work towards stabilising the Company's business and financial position. The Loans have been extended to the Company in furtherance of such intention.

The Company is seeking Shareholders' approval for the Proposals in view that the Loans provide the Company with an injection of funds for working capital purposes and to meet its immediate to medium-term payment obligations."

5.2 Key terms of the Shareholder's Loans, including the amended terms

We have evaluated the following key terms of the Shareholder's Loans, including the amended terms, to determine if they are on normal commercial terms and not prejudicial to the interests of the Company and its Minority Shareholders:

- (a) Interest rate on the Shareholder's Loans;
- (b) Default interest rate;
- (c) Repayment terms;
- (d) Loan limit; and
- (e) Security.

5.2.1 Interest rate on the Shareholder's Loans

The proposed amendments to the existing TIHPL Loan and OUE Treasury Loan seek to standardize the interest rate of the Shareholder's Loans at 4% per annum. Such interest rate is reasonable after taking into consideration the following:

- (a) The interest rate of 4% per annum on the Shareholder's Loans is below the prime lending rates of the three local banks in Singapore are DBS Bank (4.25%), OCBC Bank (5%) and UOB Bank (5%). As at 31 May 2017, the average prime lending rate published by the Monetary Authority of Singapore for Singapore dollars denominated loans quoted by the 10 leading banks and finance companies in Singapore is 5.28% per annum.

(Source: MAS website at mas.gov.sg and the Association of Banks in Singapore website at abs.org.sg)

The prime lending rate is the interest rate that commercial banks charge their most credit-worthy customers. Given the Group's present financial situation, the Group may face difficulties in obtaining unsecured financing at the prime lending rate from financial institutions.

For the audited financial statements of the Group for FY2016, the auditors have highlighted the risk of going concern as the Group had incurred significant net losses of S\$76.9 million for FY2016 and the Group's current liabilities had exceeded its current assets by S\$124.3 million. The audited financial statements of the Group for FY2016 were prepared on a going concern basis mainly on the basis of the Comfort Letter issued by OUE and the Shareholder's Loans having been extended to the Company.

- (b) The Company on its own accord, given its current financial situation, may not be able to obtain loans at interest rates of 4% per annum. We note that the interest rate of 4% per annum approximates the cost of funds of TIHPL and OUE Treasury.

The Company is in fact benefiting from the ability of TIHPL and OUE Treasury to obtain funds at such interest rate and on-lend them to the Company at the interest rate of 4% per annum.

- (c) The interest rate of 4% per annum on the Shareholder's Loans is lower than the interest rates on the Series 1 Notes of 6% per annum (which has been substantially redeemed as a result of the "Change of Shareholding Event") and Series 2 Notes of 7% per annum (which was also redeemed on the maturity date) as described in Section 3 of this Letter.

The TIHPL Loan is secured and the OUE Treasury Loan is unsecured whereas the Series 1 Notes and Series 2 Notes are unsecured borrowings. Notwithstanding the security status of the TIHPL Loan, the 4% per annum interest rate on the Shareholder's Loan is lower than the Notes issued to unrelated third parties.

In addition, as recently as February 2017, the Company had entered into a non-binding term sheet with certain lenders (including the then controlling Shareholder) for the issue of up to S\$55 million secured convertible loans at the interest rate of 6% per annum and which are convertible into new Shares at a 10% discount to the then volume weighted average Share price. The proposed issue of convertible loans was eventually terminated in the same month in view of the takeover offer by the OUE Group.

Similarly, when compared with the interest rate of 6% per annum for the secured equity-linked debt instrument (which encompasses a potential value for the equity component), the interest rate of 4% per annum on the Shareholder's Loans is lower than the above convertible loans.

- (d) We understand from the Company that any unpaid accrued interest on the Shareholder's Loans which are due and payable are not subject to further compounding at the interest rate of 4% per annum.

- (e) As described in Section 5.6 of the Circular, the Board will in due course constitute an Audit and Risk Committee, which will review the Shareholder's Loans on an ongoing basis in accordance with the Company's internal review procedures for IPTs to ensure that the Shareholders' Loans as IPTs remain on normal commercial terms and will not be prejudicial to the interests of the Company and its Minority Shareholders. The Audit and Risk Committee will also determine a reasonable threshold for drawdowns from the Shareholder's Loans which will require prior approval from the Audit and Risk Committee.

5.2.2 Default interest rate

Default interest rate is chargeable on any sum in default from the date of demand by the lender until the date of repayment (both dates inclusive) calculated on a daily basis at the rate of 6% per annum. The default interest rate applies across all the Shareholder's Loans.

We note that the default interest rates for Series 1 Notes and Series 2 Notes were 8% and 9% per annum respectively.

As such, the default interest rate on the Shareholder's Loans is not prejudicial to the interest of the Company.

5.2.3 Repayment terms

Under the Shareholder's Loans, each loan is repayable after one calendar month from the draw down date. Notwithstanding the foregoing, all loans are repayable upon first demand by the lender.

The Company confirms that the above implies that the Shareholder's Loans are repayable on demand by the lender and in the event that the lender does not demand for the repayment for any of the loans, then there is in fact no fixed maturity date to repay such loans.

In accordance with the accounting policy of the Group, as the Shareholder's Loans have no fixed term of repayment but are repayable upon demand, these Shareholder's Loans will be classified as current liabilities in the statement of financial position of the Company. This will have the effect of accentuating the net current liabilities position of the Group, and hence, the risk of potential going concern matter as raised by the Company's auditors in respect of the financial statements of the Group, unless otherwise mitigated satisfactorily. In respect of FY2016, the mitigating factors to address the going concern issue are the validity of the Comfort Letter from OUE and the extension of the Shareholder's Loans to the Company.

5.2.4 Loan limit

Under the terms of the Shareholder's Loans, the TIHPL Loan is for an aggregate amount of up to S\$130 million and the OUE Treasury Loan is for up to S\$45 million. In total, the Company will have the capacity to draw down up to S\$175 million.

The respective Shareholder's Loans also have the standard clause to permit the loan quantum to be increased to such higher amount as the lender may agree in its sole discretion. This provides some degree of flexibility should the Company require more funding and the lender(s) is/are agreeable to increase the loan quantum on the basis of the existing loan documents. In essence, there is potentially no upper limit to the Shareholder's Loans.

For the avoidance of doubt, Shareholders' approval for the Shareholder's Loans with the Amendment Agreements is for an aggregate amount of up to S\$175 million. In the event that the Company and the respective lenders are agreeable to increase the loan quantum beyond the aggregate amount of S\$175 million, the Company will assess the need to make the relevant announcement(s) on the SGXNET or, if applicable, to seek Shareholders' approval for the additional loan quantum, in compliance with the requirements under Chapter 9 of the Catalyst Rules.

5.2.5 Security

Among the Shareholder's Loans, only the TIHPL Loan is secured on a fixed and floating charge on all the Company's assets. The OUE Treasury Loan is unsecured. The TIHPL Loan constitutes the larger loan quantum. The security provided to the OUE Group for the TIHPL Loan is therefore reasonable.

5.3 Other Relevant Considerations**5.3.1 The OUE Group as the single largest Shareholder of the Company**

As at the Latest Practicable Date, the OUE Group is the single largest Shareholder, holding 86.16% shareholding interest in the Company.

The OUE Group, as the major Shareholder, has shown its commitment to the Company and the Shareholders by issuing the Comfort Letter and extending the Shareholder's Loans to the Company. Given the Company's financial situation, the Shareholder's Loans from the OUE Group was the most logical and immediately available source of funding to meet its working requirements, especially for the redemption of the Notes.

Going forward, the Company confirms that the Shareholder's Loans will be used to fund its working capital requirements and/or day-to-day operations.

5.3.2 The Proposed Interested Person Transactions are not inter-conditional upon each other

Each of the ordinary resolutions in relation to the Shareholder's Loans are not inter-conditional on each other.

6. OUR OPINION

In arriving at our opinion in respect of the Shareholder's Loans with the Amendment Agreements as Interested Person Transactions, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:

- (a) rationale for and benefits of the Shareholder's Loans with the Amendment Agreements as Interested Person Transactions;
- (b) key terms of the Shareholder's Loans, including the amended terms; and
- (c) other relevant considerations.

Overall, based on our analysis and after having considered carefully the information available to us, we are of the view that the Shareholder's Loans with the Amendment Agreements as Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its Minority Shareholders.

Our opinion, as disclosed in this Letter, is based on publicly available information and information provided by the Directors and Management and does not reflect any projections of future financial performance of the Company and/or the Group after the Interested Person Transactions become effective. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the Shareholder's Loans with the Amendment Agreements as Interested Person Transactions.

This Letter is addressed to the Directors for their benefit and for the purpose of their consideration of the Shareholder's Loans with the Amendment Agreements as Interested Person Transactions. The recommendation to be made by them to the Minority Shareholders shall remain their responsibility. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose, other than for the purpose of the

APPENDIX A – IFA LETTER

Shareholder's Loans with the Amendment Agreements as Interested Person Transactions, at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

Our opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201304341E)
(the “Company”)
(In receivership over charged shares in certain subsidiaries)

All capitalised terms used in this Notice which are not defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them in the circular to Shareholders dated 29 June 2017.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at Mandarin Orchard Singapore, Imperial Ballroom, Level 35, Orchard Wing, 333 Orchard Road, Singapore 238867 on Friday, 14 July 2017 at 3.00 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2:30 p.m. on the same day and at the same place), for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolutions:

ORDINARY RESOLUTION 1

THE AMENDED TIHPL LOAN AS AN INTERESTED PERSON TRANSACTION

That:

- (a) approval be and is hereby given for the Company to obtain the Amended TIHPL Loan from TIHPL with the Amended TIHPL Loan Interest Rate applying to a maximum loan amount of S\$130 million, which constitutes an interested person transaction under the Catalist Rules; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and to do all acts and things (including, without limitation, executing all such documents as may be required) as they or he may consider necessary or expedient for the purposes of or in connection with and to give effect to this resolution.

Notes to Ordinary Resolution 1:

- (i) Pursuant to Rule 919 of the Catalist Rules, OUE, OUEI, TIHPL and/or their associates will abstain from exercising any voting rights in relation to Ordinary Resolution 1.
- (ii) Shareholders should note that under the terms of the TIHPL Loan, the loan amount may be increased to such higher amount as TIHPL may agree to. However, for purposes of the Proposals, Shareholders’ approval is being sought for the Amended TIHPL Loan Interest Rate to apply to a maximum loan amount of S\$130 million in respect of the Amended TIHPL Loan.

ORDINARY RESOLUTION 2

THE AMENDED OUE TREASURY LOAN AS AN INTERESTED PERSON TRANSACTION

That:

- (a) approval be and is hereby given for the Company to obtain the Amended OUE Treasury Loan from OUE Treasury with the Amended OUE Treasury Loan Interest Rate applying to a maximum loan amount of S\$45 million, which constitutes an interested person transaction under the Catalist Rules; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and to do all acts and things (including, without limitation, executing all such documents as may be required) as they or he may consider necessary or expedient for the purposes of or in connection with and to give effect to this resolution.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Note to Ordinary Resolution 2:

- (i) Pursuant to Rule 919 of the Catalist Rules, OUE, OUEI, TIHPL and/or their associates will abstain from exercising any voting rights in relation to Ordinary Resolution 2.
- (ii) Shareholders should note that under the terms of the OUE Treasury Loan, the loan amount may be increased to such higher amount as OUE Treasury may agree to. However, for purposes of the Proposals, Shareholders' approval is being sought for the Amended OUE Treasury Loan Interest Rate to apply to a maximum loan amount of S\$45 million in respect of the Amended OUE Treasury Loan.

By Order of the Board

Ng Ngai
Winston Paul Wong Chi Huang
Joint Company Secretaries

Singapore, 29 June 2017

Notes:-

- 1. Save as provided in the Constitution, a member (other than a Relevant Intermediary*) entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint up to two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- 2. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
- 3. The instrument appointing a proxy must be lodged at the registered office of the Company at 9 Battery Road #15-01 Singapore 049910 not less than forty-eight (48) hours before the time fixed for the Extraordinary General Meeting.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

(Company Registration No: 201304341E)

(Incorporated in the Republic of Singapore)

(In receivership over charged shares in certain subsidiaries)

IMPORTANT:

1. Relevant intermediaries (as defined in Section 181 Companies Act, Cap 50) may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in International Healthway Corporation Limited, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their apportionment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s) the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 29 June 2017.

PROXY FORM

I/We* _____ (Name) NRIC/Passport number* _____
of _____ (Address)

being a member/members* of International Healthway Corporation Limited (the “Company”), hereby appoint:

Name	Address	NRIC/Passport* No.	Proportion of Shareholdings	
			No. of Shares	%

and/or* (delete as appropriate)

Name	Address	NRIC/Passport* No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her, the Chairman of the Extraordinary General Meeting (the “EGM”) as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the EGM of the Company to be held at Mandarin Orchard Singapore, Imperial Ballroom, Level 35, Orchard Wing, 333 Orchard Road, Singapore 238867 on 14 July 2017 at 3.00 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2:30 p.m. on the same day and at the same place) and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for or against the ordinary resolutions to be passed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her* discretion. The ordinary resolutions will be put to vote at the EGM by way of poll.

Ordinary Resolutions		On a poll	
		Number of Votes For**	Number of Votes Against**
1.	The Amended TIHPL Loan as an interested person transaction		
2.	The Amended OUE Treasury Loan as an interested person transaction		

* Delete accordingly

** If you wish to exercise all your votes “For” or “Against”, please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2017

Signature(s) of Shareholder(s) or
Common Seal of Corporate Shareholder

Total number of Shares held in:	No. of shares
(a) CDP Register	
(b) Register of Members	

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES ON THE REVERSE.



NOTES:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.
 2.
 - (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
 - (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.
3. A proxy need not be a member of the Company.
 4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy or proxies, to the meeting.

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Affix
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stamp
here

The Company Secretary
International Healthway Corporation Limited
9 Battery Road
#15-01
Singapore 049910

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5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 9 Battery Road #15-01 Singapore 049910 not less than 48 hours before the time set for the meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing a proxy or proxies, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Cap. 50.
9. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument (or any related attachment) appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

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