

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

Registration No.:201304341E

(Incorporated in the Republic of Singapore)

(In receivership over charged shares in certain subsidiaries)



UPDATE TO SHAREHOLDERS

– Termination of Non-Binding Term Sheet dated 6 February 2017 with Oxley Holdings Limited, Ching Chiat Kwong and Low See Ching

Reference is made to Section B (*Proposed Convertible Loans*) of the announcement made by International Healthway Corporation Limited ("**Company**") on 8 February 2017, relating to the Company's entry into a non-binding term sheet on 6 February 2017 ("**Term Sheet**") for the grant to the Company of (i) a convertible loan facility of up to S\$5,000,000 by Mr Ching Chiat Kwong and Mr Low See Ching ("**Loan I**"); and (ii) a convertible loan facility of up to S\$50,000,000 by Oxley Holdings Limited, on the terms and conditions stated therein.

The Board of Directors of the Company wishes to inform shareholders that it has received a letter on 19 February 2017 from Oxley Holdings Limited, Mr Ching Chiat Kwong and Mr Low See Ching (collectively, "**Lenders**") stating their intention not to proceed with any further action on the subject matter of the Term Sheet, and to terminate the Term Sheet with immediate effect, in view of the mandatory unconditional cash offer by Treasure International Holdings Pte. Ltd. ("**Offeror**") for all the issued ordinary shares of the Company other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it.

Notwithstanding termination of the Term Sheet, the amounts of S\$1,512,328.77 and RM335,014.84 which have been drawn under Loan I remain owing to the relevant Lenders and are repayable on demand, together with interest at 6% per annum accrued thereon.

The Board will continue to keep shareholders updated on any subsequent material developments. Shareholders should exercise caution when trading in the Company's shares. In the meantime, persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

The Directors of the Company (including those who have been delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

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

By Order of the Board

Tay Eng Kiat Jackson

Director

20 February 2017

*This announcement has been prepared by the Company and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.