ADDENDUM I DATED 13 APRIL 2016

If a shareholder of Healthway Medical Corporation Limited (the "**Company**") is in any doubt as to the contents of this Addendum or the actions he should take, he should consult his legal, financial, tax or other professional advisers immediately.

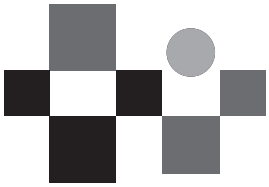
This Addendum is circulated to shareholders of the Company together with the Company's annual report. Its purpose is to provide shareholders of the Company with the relevant information relating to, and to seek shareholders' approval to renew the shareholders' mandate for Interested Person Transactions (as defined hereinafter) to be tabled at the Annual General Meeting to be held at The National University of Singapore Society, Kent Ridge Guild House, Left Chamber, 9 Kent Ridge Drive, Singapore 119241 on 29 April 2016 at 2.00 p.m.

The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report.

This Addendum has been prepared by the Company and its contents have been reviewed by the Company's sponsor, 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 Addendum.

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

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.



HEALTHWAY MEDICAL CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200708625C)

ADDENDUM IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

DEFINITIONS

For the purpose of this Addendum, the following definitions apply throughout unless otherwise stated:-

"AGM"	:	Annual general meeting of the Company
"Audit Committee" or "Independent Directors"	:	The audit committee of the Company comprising Mr Pee Tong Lim, Mr Syed Abu Bakar Bin S Mohsin Almohdzar, Ms Kuek Chiew Hia and Mr Sonny Yuen Chee Choong, who are deemed to be independent for the purpose of making a recommendation to Shareholders in respect of the Proposed Renewal of IPT Mandate
"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 (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
"Board" or "Board of Directors"	:	The Board of Directors of the Company as at the date of this Addendum
"Catalist"	:	The sponsor-supervised listing platform of the SGX-ST
"Catalist Rules"	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
"CDP"	:	The Central Depository (Pte) Limited
"Chapter 9"	:	Chapter 9 of the Catalist Rules
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"Company"	:	Healthway Medical Corporation Limited, a company incorporated in the Republic of Singapore
"Controlling Shareholder"	:	A person who:- (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company; or (b) in fact exercises control over a Company

"Director(s)"	:	The director(s) of the Company as at the date of this Addendum
"Executive Director"	:	A director of the Company who is a full-time employee and performs an executive function
"Golden Cliff"	:	Golden Cliff International Limited, a company incorporated in the British Virgin Islands and wholly-owned by Mr Fan Kow Hin, the Controlling Shareholder of the Company
"Group"	:	The Company and its subsidiaries; and in connection with the Proposed Renewal of IPT Mandate includes associated companies of the Company that are not listed on the SGX-ST or any approved exchange over which the Company, its subsidiaries or Interested Person(s) has control
"HMD"	:	Healthway Medical Development (Private) Limited, a company incorporated in Singapore pursuant to the JV
"HMD Group"	:	HMD and any future subsidiaries which may be newly set up or to be acquired by it from time to time
"Interested Person(s)"	:	Has the meaning ascribed to it in Section 2.2 of this Addendum
"Interested Person Transaction(s)" or "IPT(s)"	:	Has the meaning ascribed to it in Section 2.2 of this Addendum
"IPT Mandate"	:	Has the meaning ascribed to it in Section 1.2 of this Addendum
"JV"	:	Joint venture among the JV Partners
"JV Partners"	:	Collectively, the parties who entered into the joint venture agreement dated 22 September 2010 (as supplemented from time to time), including the Company, Golden Cliff, Real Empire, Xanery and "**JV Partner**" means each and any one of them
"Latest Practicable Date"	:	31 March 2016, being the latest practicable date prior to the printing of this Addendum
"Medical Development Business"	:	The business comprising the development, investment and management of real estate projects which include medical facilities
"NTA"	:	Net tangible assets as determined in accordance with the Singapore Financial Reporting Standards
"PRC"	:	People's Republic of China
"Proposed Renewal of IPT Mandate"	:	Proposed renewal of the IPT Mandate
"Real Empire"	:	Real Empire International Limited, a company incorporated in the British Virgin Islands and wholly-owned by Mr Aathar Ah Kong Andrew, a Substantial Shareholder of the Company
"SFA"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time

"Share(s)"	:	Ordinary share(s) in the capital of the Company
"Shareholder(s)"	:	Registered holder(s) of Shares, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares
"Substantial Shareholder(s)"	:	Person(s) (including a corporation) who holds not less than 5% (directly or indirectly) of the total votes attached to all the voting Shares in the Company
"Xanery"	:	Xanery Limited, a company incorporated in the British Virgin Islands and wholly-owned by Dr Jong Hee Sen
"S$" and "cents"	:	Singapore dollars and cents, respectively
"%" or "per cent."	:	Per cent

The terms "Depositor", "Depository Agent" and "Depository Register" shall have the same meanings ascribed to them respectively in Section 81SF of Securities and Futures Act (Chapter 289) of Singapore or any statutory modification thereof, as the case may be.

The term "Subsidiary" shall have the same meaning ascribed to it under Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and 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 in this Addendum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and not otherwise defined in this Addendum, where applicable, shall have the same meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and to dates in this Addendum is made by reference to Singapore time and dates, unless otherwise stated.

HEALTHWAY MEDICAL CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200708625C)

Directors

Wong Ong Ming, Eric (Non-Executive Non-Independent Chairman)
Yeow Ming Ying (Non-Executive Director)
Kuek Chiew Hia (Independent Director)
Pee Tong Lim (Independent Director)
Syed Abu Bakar Bin S Mohsin Almohdzar (Independent Director)
Sonny Yuen Chee Choong (Independent Director)

Registered Office

2 Leng Kee Road
#06-07 Thye Hong Centre
Singapore 159086

13 April 2016

To: The Shareholders of Healthway Medical Corporation Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 Reference is made to the notice of AGM dated 13 April 2016 ("**Notice of AGM**") of the Company convening the AGM to be held on 29 April 2016.

1.2 The proposed Ordinary Resolution 8 in the Notice of AGM relates to the proposed renewal of a shareholders' mandate for Interested Person Transactions, which Shareholders had previously approved at the extraordinary general meeting of the Company held on 2 November 2010 and last renewed at the AGM held on 29 April 2015, which will enable the Group to enter into certain types of recurrent transactions of a revenue or trading nature necessary for day-to-day operations with the Interested Persons in compliance with Chapter 9 of the Catalist Rules ("**IPT Mandate**"). The authority conferred by the IPT Mandate will expire on 29 April 2016, being the date of the forthcoming AGM.

1.3 The purpose of this Addendum is to provide Shareholders with the relevant information relating to, and to explain the rationale for the Proposed Renewal of IPT Mandate to be tabled at the forthcoming AGM.

2. PROPOSED RENEWAL OF IPT MANDATE

2.1 Chapter 9 of the Catalist Rules

Chapter 9 governs transactions between a listed company or any of its unlisted subsidiaries or unlisted associated companies and interested persons. An "interested person" is defined as a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

Chapter 9 allows a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations which may be carried out with the listed company's interested persons, but not the purchase or sale of assets, undertakings or businesses, provided such transactions are entered into at arm's length basis and on normal commercial terms and are not prejudicial to the interests of the listed company and its minority shareholders.

The current IPT Mandate, which was last renewed at the AGM held on 29 April 2015, will continue to be in force until the forthcoming AGM. Accordingly, the Directors propose that the IPT Mandate be renewed at the forthcoming AGM.

General information relating to Chapter 9, including the meanings of terms such as "interested person", "associate", "associated company" and "controlling shareholder", are set out in the annexure of this Addendum.

2.2 Classes of Interested Persons

The Company and the JV Partners had on 22 September 2010, entered into a joint venture agreement (the "**JVA**") where HMD had been established to pursue opportunities in the Medical Development Business in the region, particularly in the PRC. Notwithstanding the termination of the JVA on 31 May 2013, the JV Partners remain as shareholders of HMD. As at the Latest Practicable Date, the Company holds 14.0% equity interest in HMD, while Golden Cliff holds approximately 44.2% equity interest, Real Empire holds approximately 20.8% equity interest and Xanery holds 10.0% equity interest in HMD. The remaining 11.0% equity interests in HMD are held by Li Su, an unrelated third party. As at the Latest Practicable Date, the directors of HMD are Li Su and Jamie Fan Wei Zhi. Jamie Fan Wei Zhi is the daughter of Fan Kow Hin, the Controlling Shareholder of the Company.

By virtue of Mr Fan Kow Hin's equity interest of 44.2% in HMD, the HMD Group is categorised as an associate of Mr Fan Kow Hin. It is therefore defined as an "**Interested Person**" for the purpose of Chapter 9. Accordingly, certain transactions entered into between the Company together with its subsidiaries and/or associated companies and the HMD Group will therefore constitute as **"Interested Person Transactions**" under Chapter 9.

The IPT Mandate, if renewed, will apply to the Interested Person Transactions which are carried out with the HMD Group. The following classes of Interested Persons are:-

(a) Mr Fan Kow Hin, who is the Controlling Shareholder of the Company as at the Latest Practicable Date;

(b) any person, entity or company who, at the point in time when the transaction is proposed to be entered into, is an associate of Mr Fan Kow Hin; and

(c) the HMD Group.

2.3 Categories of Interested Person Transactions

The following Interested Person Transactions with the Interested Persons (as described in Section 2.2 above) which will be covered by the renewed IPT Mandate are those recurrent transactions arising in the ordinary course of business of revenue or trading nature or necessary for day-to-day operations:-

(a) Healthcare and specialist services

  (i) provision of a wide range of healthcare/medical/hospital services (including inpatient and outpatient services) in various specialties including but not limited to anaesthesiology, cardiology, dentistry, dermatology, gastroenterology, general surgery, geriatric medicine, haematology, hand surgery, hepatobiliary surgery, infectious diseases, internal medicine, medical oncology, neurology, neurosurgery, obstetrics & gynaecology, ophthalmology, oral & maxillofacial surgery, oral surgery, orthodontics & prosthodontics, orthopaedic surgery, otorhinolaryngology, paediatric medicine and surgery, plastic surgery, podiatry, psychiatry, public health medicine, rehabilitation medicine, renal medicine, respiratory medicine, rheumatology, urology, physiotherapy, pathology and orthopaedics wellness services, sports medicine, spinal surgery, sports development services, adult reconstructive surgery and trauma surgery;

  (ii) provision of laboratory services including clinical, histopathology and cytogenetic services;

  (iii) provision and purchase of laboratory tests services;

  (iv) provision of diagnostic and therapeutic radiology services including general radiography, magnetic resonance imaging, ultrasound and screening services;

  (v) provision of clinical research services;

(vi) provision and purchase of healthcare equipment;

(vii) referral of patients;

(viii) provision and outsourcing of rehabilitation services;

(ix) provision and purchase of clinical waste management services, cleansing management services, ash disposal services and other hospital/clinical/medical facility maintenance related services;

(x) provision and purchase of pharmaceutical, surgical, medical products/supplies, drugs as well as hospital equipments; and

(xi) outsourcing of food/catering services for inpatients.

(b) Wellness services

(i) provision of aesthetic services including wellness solutions for facial features, the skin and well-being and laser treatments; and

(ii) provision of traditional chinese medicine services including sports injury treatment and wellness management.

(c) Management and/or Support services

Provision of the management and/or support services in the areas of management, operations of the medical facilities, business development, marketing, advertising, publicity, logistics, management information systems, multimedia, consultancy, training, secretarial, human resources and administrative support, clinical governance or other related services.

(d) Financial and Insurance

(i) purchase or obtaining of insurances and the underwriting of risks;

(ii) provision of underwriting of accident and healthcare insurance policies;

(iii) purchasing or obtaining of hire purchase facilities, term loans and other credit facilities;

(iv) obtaining of banking, financial and advisory services and related facilities; and

(v) providing or obtaining of financial assistance and services including lending and/or borrowing of funds.

(e) General Transactions

(i) provision or obtaining such products and/or services incidental to or in connection with the Interested Person Transactions set out above, which are necessary for the day-to-day operations of the Group;

(ii) provision or obtaining of cleaning of communal stairs, landings and hallways, lifts, communal heating, lighting and water charges, CCTV systems and communal refuse disposal areas and/or rubbish chutes;

(iii) rental, as lessee, provision or obtaining of building maintenance services and security services;

(iv) purchase or obtaining of spare parts for biomedical engineering and other bio-medical related technology/services;

(v) purchase or obtaining of biotechnology related services, such as, research and development, laboratory services and/or other biotechnology related services or facilities;

(vi) provision or obtaining of management, support and other related services; and

(vii) any other transactions relating to the provision or obtaining from Interested Persons, of products and services related to the Group's principal and ancillary activities in the normal course of their businesses and on normal commercial terms.

2.4 Rationale for and Benefits for the Proposed Renewal of IPT Mandate

The Interested Person Transactions are entered into or are to be entered into by the Group in its ordinary course of business. The Interested Person Transactions are recurring transactions which are likely to occur with some degree of frequency and may arise at any time and from time to time. The Directors are of the view that it will be beneficial to the Group to transact with the Interested Persons. It is intended that the Interested Person Transactions shall continue in the future as long as the Interested Persons remains in the Group and so long as the transactions are at arm's length basis and on normal commercial terms and are not prejudicial to the Company and the minority Shareholders.

The renewal of the IPT Mandate on an annual basis will eliminate the need to announce and/or convene separate general meetings on each occasion in order to seek Shareholders' approval for each Interested Person Transaction to be entered into between the Group and the Interested Persons. This will substantially reduce the expenses associated with the convening of such general meetings (including the engagement of external advisers and preparation of documents) from time to time, improve administrative efficiency and allow resources and time of the Group to be focused towards other business objectives.

The Proposed Renewal of IPT Mandate is intended to facilitate the Interested Person Transactions, provided that they are carried out at arm's length basis and on normal commercial terms and are not prejudicial to the interest of the Company and the minority Shareholders.

2.5 Review Procedures for Interested Person Transactions

To ensure that Interested Person Transactions are undertaken at arm's length basis and on normal commercial terms and are consistent with the Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to unrelated third parties, the Group has established the following procedures to ensure that Interested Person Transactions are undertaken on an arm's length basis and on the Group's normal commercial terms:-

(a) Review Procedures

There are procedures established by the Group to ensure that Interested Person Transactions are undertaken on an arm's length basis and on the Group's normal commercial terms, consistent with the Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to or obtained from unrelated independent third parties. The Group proposes to implement the following internal procedures for the Interested Person Transactions. In particular, the following review procedures will be put in place:-

(i) Provision of Services or the Sale of Products

The review procedures are:-

(1) all contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market rates or prices of the service or product providers on terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated independent third parties (including, where applicable, preferential rates/rebates/discounts accorded to

corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms. In particular, prior to such sales to an Interested Person, the terms of at least two (2) other contemporaneous sale transactions to the Group's unrelated independent third party customers for similar products and/or services will be used as comparison, where possible and practicable, to determine whether the price and terms offered to the Interested Person are fair and reasonable and comparable to those offered to other unrelated independent third parties for the same or substantially similar type of products and/or services. In determining whether the price and terms offered to the Interested Person are fair and reasonable, where applicable, factors such as (but not limited to) delivery schedules, strategic purposes of the transaction, creditworthiness, payment terms and where applicable, preferential rates, rebates or discounts accorded for bulk purchases will be taken into account; and

(2) where the prevailing market rates or prices are not available due to the nature of service to be provided or the product to be sold, the Group's pricing for such services to be provided or products to be sold to Interested Persons is determined in accordance with the Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the Group for the same or substantially similar type of contract or transaction with unrelated independent third parties taking into consideration factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction.

(ii) Obtaining of Services or the Purchasing of Products

All purchases made by the Group, including purchases from Interested Persons are governed by internal control procedures which detail matters such as the constitution of internal approving authorities and their monetary jurisdictions. The guiding principle is to objectively obtain the best goods and/or services on the best terms through competitive quotations, if appropriate.

The review procedures are:-

(1) all contracts entered into or transactions with Interested Persons are to be carried out by obtaining quotations (wherever possible or available) from at least two (2) other unrelated independent third party suppliers for similar quantities and/or quality of services or products, prior to contracting or transacting with the Interested Person, as a basis for comparison to determine whether the price and terms offered by the Interested Person are fair and reasonable and comparable to those offered by other unrelated independent third parties for the same or substantially similar type of services or products. In determining whether the price and terms offered by the Interested Persons are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account; and

(2) in the event that such competitive quotations cannot be obtained (for instance, if there are no unrelated independent third party vendors of similar products or services, or if the product is proprietary in nature), the senior management staff of the relevant company in the Group (with no interest, direct or indirect in the transaction), will (a) determine whether the price and terms offered by the Interested Persons are fair and reasonable by using their business experience and taking into account (including but not limited to), where possible and applicable, factors such as, the prices of the closest possible substitute products or services after considering the additional specification or features if any, quality and nature of the products or services, the profit margins that may be generated from the sale or provision of such products or services and the

prevailing market conditions; (b) ensure that the terms of supply will, where applicable, be in accordance with, or not be more adverse to the Group than industry norms; and (c) consider whether the terms are, in their opinion, in the interest of the Group and not prejudicial to the minority Shareholders.

(iii) When renting properties from or to an Interested Person, the Group shall take appropriate steps to ensure that such rent is commensurate with the prevailing market rates, including adopting measures such as making relevant enquiries regarding similar property and obtaining necessary reports or reviews published by property agents or independent valuers, where considered appropriate. The amount payable shall be based on the most competitive market rental rate of similar property in terms of size and location, and based on the results of the relevant inquiries. Where prevailing market rentals are not available, whether due to the unavailability or impracticability of obtaining rental comparisons or otherwise, the rental will be determined in accordance with the Group's usual business practices and policies.

(b) Threshold Limits

In addition to the review procedures, the following approval procedures will be implemented to supplement existing internal control procedures for Interested Person Transactions to ensure that such transactions are undertaken on an arm's length basis and on normal commercial terms:-

(i) Category 1 threshold

The Category 1 threshold shall apply where the aggregate value of the Interested Person Transaction(s) entered into with the same Interested Person within a financial year of the Company is equal to or exceeds S$1 million. Such transaction(s) must be reviewed and approved by the Audit Committee prior to being contracted.

(ii) Category 2 threshold

The Category 2 threshold shall apply where the aggregate value of the Interested Person Transaction(s) entered into with the same Interested Person within a financial year of the Company is equal to or exceeds S$100,000 but is less than S$1 million. Such transaction(s) does not require the prior approval of the Audit Committee but shall be reviewed on a quarterly basis by the Audit Committee.

The threshold limits set out above are adopted by the Company taking into account, *inter alia*, the nature, volume, recurrent frequency and size of the transactions as well as the Group's day-to-day operations, administration and businesses. The threshold limits are arrived at as a result of the balancing exercise after considering the operational efficiency for the day-to-day business operations of the Group and the internal control for Interested Person Transactions. The threshold limits act as an additional safeguard to supplement the review procedures which will be implemented by the Company for Interested Person Transactions.

All Interested Person Transactions entered into pursuant to the renewed IPT Mandate shall be tabled to the Audit Committee for information on a quarterly basis.

Individual transactions of a value less than S$100,000 do not require review and approval and will not be taken into account in the aggregation.

If any person has an interest in a transaction falling within a category of transactions to be reviewed or approved by him, he will abstain from any decision making in respect of that transaction.

(c) General review procedures

In addition to the review procedures and threshold limits set out above, the following procedures will also be implemented:-

(i) the Company will maintain a register of all Interested Person Transactions carried out pursuant to the renewed IPT Mandate (recording the basis, including quotations and/or offers obtained, if any, where applicable to support such basis, on which they are entered into);

(ii) the annual internal audit plan shall incorporate a review of all Interested Person Transactions entered into pursuant to the renewed IPT Mandate, including a report to be submitted to the Audit Committee for its review;

(iii) the Audit Committee may, as it deems fit, request for additional information pertaining to the Interested Person Transactions under review from independent sources or advisers;

(iv) further to the above, where any Director has an interest (direct or indirect) in any Interested Person Transaction, such Director (or his alternate, where appropriate) shall abstain from voting on the matter;

(v) the Audit Committee will carry out periodic reviews (not fewer than twice a year) to ascertain that the established review procedures as set out above in respect of the renewed IPT Mandate have been complied with, and to ensure that the then prevailing rules and regulations of the SGX-ST (in particular Chapter 9) are complied with;

(vi) the Audit Committee shall review from time to time whether the review procedures established to monitor the Interested Person Transactions remain adequate and/or commercially practicable in ensuring that the Interested Person Transactions will be carried out on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders;

(vii) the Company will report all Interested Person Transactions to the Audit Committee. The Audit Committee will review and ratify all Interested Person Transactions on a quarterly basis. In the event of ambiguity as to whether a transaction or transactions would fall within the renewed IPT Mandate, the Company will consult the Audit Committee prior to entering into such transactions; and

(viii) if a member of the Audit Committee has an interest in an Interested Person Transaction to be reviewed by the Audit Committee, that member will abstain from making any recommendation and any decision-making in respect of that transaction and the review and approval of that transaction will be undertaken by the remaining members of the Audit Committee.

2.6 Audit Committee's Statements

(a) The Audit Committee having reviewed and considered, *inter alia*, the terms of the renewed IPT Mandate and are satisfied that the review procedures for the Interested Person Transactions, as well as the reviews to be made periodically by the Audit Committee in relation thereto, are sufficient to ensure that the Interested Person Transactions will be made with the relevant categories of Interested Persons at arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The Independent Directors from the Audit Committee confirm that the methods and procedures for determining the transaction prices have not changed since the last Shareholders' approval at the AGM held on 29 April 2015.

(b) If, during the periodic reviews by the Audit Committee, the Audit Committee are of the view that the established guidelines and procedures are not sufficient to ensure that the Interested Person Transactions will be at arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with Interested Persons.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial Shareholders in the Shares of the Company as at the Latest Practicable Date are set out below:-

	Direct Interest		Deemed Interest	
	Number of Shares	% of voting Shares[1]	Number of Shares	% of voting Shares[1]
Directors				
Wong Ong Ming, Eric	274,084	0.01	19,380	0.001
Yeow Ming Ying	–	–	–	–
Kuek Chiew Hia	270,000	0.01	–	–
Pee Tong Lim	–	–	–	–
Syed Abu Bakar Bin S Mohsin Almohdzar	–	–	–	–
Sonny Yuen Chee Choong	–	–	–	–
Substantial Shareholders (other than Directors)				
Fan Kow Hin[2]	–	–	432,687,812	18.75
One Organisation Limited[3]	–	–	227,617,252	9.86
Aathar Ah Kong Andrew[4]	768,046	0.03	160,480,287	6.95
Chee Yin Meh[5]	–	–	432,687,812	18.75

Notes:

(1) Percentage is calculated based on 2,308,236,183 voting Shares as at the Lastest Practicable Date.

(2) Fan Kow Hin is deemed interested in 227,617,252 Shares registered in the name of a nominee account for which the beneficiary is One Organisation Limited ("OOL") by virtue of his shareholding in OOL, 66,875,000 Shares registered in the name of a nominee account for which the beneficiary is One Organisation Pte Ltd ("OOPL"), by virtue of his shareholding in OOPL and 138,195,560 Shares registered in the name of a nominee account.

(3) OOL is deemed to be interested in 227,617,252 Shares registered in the name of a nominee account.

(4) Aathar Ah Kong Andrew is deemed to be interested in 157,036,287 Shares registered in various nominee accounts and 3,444,000 Shares are held by his brother, Aathar Ah Tuk Henry.

(5) Chee Yin Meh is deemed to be interested in 432,687,812 Shares in which 138,195,560 Shares are registered in the name of a nominee account for which the beneficiary is Fan Kow Hin ("Spouse"), 227,617,252 Shares registered in the name of a nominee account for which the beneficiary is OOL by virtue of her and her Spouse's shareholding in OOL, and 66,875,000 Shares registered in the name of a nominee account for which the beneficiary is OOPL by virtue of her Spouse's shareholdings in OOPL.

Save as disclose above, none of the Directors or Substantial Shareholders is related to one another in any way.

4. APPROVALS AND RESOLUTIONS

Shareholders' approval for the Proposed Renewal of IPT Mandate is sought at the forthcoming AGM. The resolution relating to the Proposed Renewal of IPT Mandate is contained in the Notice of AGM as Ordinary Resolution 8.

5. INDEPENDENT DIRECTORS' RECOMMENDATION

The Independent Directors are of the opinion that it is in the interests of the Company that the Group be permitted to have the flexibility to enter into the Interested Person Transactions described in Section 2.3 above in their ordinary course of business with the Interested Persons for reasons stated in this Addendum. Accordingly, the Independent Directors recommend that Shareholders vote in favour of the Ordinary Resolution 8 relating to the Proposed Renewal of IPT Mandate.

Any Shareholder who may require specific advice in relation to his Shares should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the Proposed Renewal of IPT Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where information in this Addendum 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 Addendum in its proper form and context.

7. ABSTENTION FROM VOTING

Rule 919 of the Catalist Rules requires that interested persons and any associate of the interested person must not vote on any shareholders' resolution approving any mandate in respect of any interested person transactions, nor accept appointments as proxies unless specific instructions to voting are given.

By virtue of his interest in the Proposed Renewal of IPT Mandate, Mr Fan Kow Hin being an Interested Person, will abstain from voting, and will procure that his associates to abstain from voting on the Ordinary Resolution 8 in respect of the Proposed Renewal of IPT Mandate to be tabled at the forthcoming AGM. Further, Mr Fan Kow Hin will decline, and will ensure that his associates will decline to accept appointment as proxy(ies) to vote on the Ordinary Resolution 8 in respect of the Proposed Renewal of IPT Mandate to be tabled at the forthcoming AGM unless specific instructions as to voting have been given by the Shareholder concerned.

Yours faithfully

For and on behalf of the Board of Directors of
Healthway Medical Corporation Limited

Wong Ong Ming, Eric
Non-Executive Non-Independent Chairman

GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE CATALIST RULES

Scope

Chapter 9 applies to transactions which a listed company or any of its subsidiaries (other than a subsidiary that is listed on an approved stock exchange) or associated companies (other than an associated company that is listed on an approved stock exchange or over which the listed group and/or its interested person(s) has no control) proposes to enter into a counter-party who is an interested person of the listed company.

Definitions

An "interested person" means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

An "associate" means:-

(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

(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.

An "associated company" means a company in which at least 20% but not more than 50% of its shares are held by the listed company or the group.

A "controlling shareholder" means a person who holds (directly or indirectly) 15% or more of the nominal amount of all voting shares in the listed company or one who in fact exercises control over its listed company.

General Requirements

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and are hence excluded from the ambit of Chapter 9, immediate announcement, or, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated NTA), are reached or exceeded. In particular, shareholders' approval is required where:

(a) the value of such transaction is equal to or exceeds five per cent (5%) of the latest audited consolidated NTA of the group; or

(b) the value of such transaction when aggregated with the value of all other transactions previously entered into with the same interested person in the same financial year of the group is equal to or exceeds five per cent (5%) of the latest audited consolidated NTA of the group. However, a transaction which has been approved by shareholders, or is the subject approved by shareholders, need not be included in any subsequent aggregation.

Immediate announcement of a transaction is required where:

(a) the value of such transaction is equal to or exceeds three per cent (3%) of the latest audited consolidated NTA of the group, or

(b) the value of such transaction when aggregated with the value of all other transactions previously entered into with the same interested person in the same financial year of the group is equal to or exceeds three per cent (3%) of the latest audited consolidated NTA of the group.

The above requirements for immediate announcement and for shareholders' approval do not apply to any transaction below S$100,000.

General Mandate

A listed company may seek a general mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.