

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

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

PROPOSED ACQUISITION OF HEALTHWAY MEDICAL CORPORATION LIMITED BY WAY OF A SCHEME OF ARRANGEMENT

- RECEIPT OF CONFIRMATION FROM THE SIC
 - SIGNING OF SUPPLEMENTAL IMPLEMENTATION AGREEMENT
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1. INTRODUCTION

- 1.1. The Board of Directors of International Healthway Corporation Limited (the “**Company**”) refers to the announcements of the Company dated 19 June 2015 and 27 August 2015 (the “**Announcements**”) in relation to the proposed acquisition (the “**Acquisition**”) by the Company of all the issued and paid-up ordinary shares in the capital of Healthway Medical Corporation Limited by way of a scheme of arrangement in accordance with Section 210 of the Companies Act, Chapter 50 of Singapore and the Singapore Code on Take-overs and Mergers.
- 1.2. Unless otherwise defined herein or the context requires otherwise, capitalised terms used in this announcement shall have the same meanings ascribed to them in the Announcements.

2. RECEIPT OF CONFIRMATION FROM THE SIC

- 2.1. The Board of Directors is pleased to inform IHC Shareholders that the Company has, on 2 September 2015, received confirmation from the SIC (the Securities Industry Council) (the “**SIC Confirmation**”) that that Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) to Rule 19 of the Code do not apply to the Scheme, subject to the following conditions:
 - (a) the common substantial shareholders, if any, of the Company and HMC abstain from voting on the Scheme;
 - (b) the Company and its concert parties abstain from voting on the Scheme;
 - (c) the directors of HMC who are also Directors of IHC, if any, abstain from making a recommendation on the Scheme to the HMC Shareholders;
 - (d) HMC appoints an independent financial advisor to advise the HMC Shareholders on the Scheme;
 - (e) the Scheme Document contains advice to the effect that [by] voting for the Scheme, the HMC Shareholders are agreeing to the Company and its concert parties acquiring or consolidating effective control of HMC without having to make a general offer for HMC; and
 - (f) the Scheme Document discloses the names of the Company and its concert parties, their current voting rights in HMC as of the latest practicable date and their voting rights in HMC after the Scheme.
- 2.2. The receipt of the SIC Confirmation partially satisfies the Scheme Condition set out in Paragraph 4.1(a)(i) of the Announcement dated 19 June 2015.

3. SUPPLEMENTAL IMPLEMENTATION AGREEMENT

- 3.1. In connection with the SIC Confirmation, the Board of Directors also wishes to inform IHC Shareholders that the Parties have on 3 September 2015, entered into a supplemental agreement (the “**Supplemental Implementation Agreement**”), amending certain Scheme Conditions, termination provisions and Prescribed Occurrences. The amendments are set out in Paragraphs 3.2 and 3.3 below.
- 3.2. The amendments made in the Supplemental Implementation Agreement, with reference to the Announcement dated 19 June 2015, are set out below:

No.	Paragraph Reference to the Announcement dated 19 June 2015	Revision pursuant to the Supplemental Implementation Agreement
1.	<p>The Scheme Condition set out in Paragraph 4.1(c), reproduced below:</p> <p><i>Opinion of the independent financial advisors:</i></p> <p>(i) <i>in relation to the Company, a favourable opinion from an independent financial advisor (to be appointed by the Company) in support of the Acquisition as an Interested Person Transaction being obtained; and</i></p> <p>(ii) <i>in relation to HMC, a favourable opinion from the an independent financial advisor (to be appointed by HMC) in support of the Scheme being obtained;</i></p>	<p>This Scheme Condition has been revised to the following:</p> <p><i>Opinion of the independent financial advisors:</i></p> <p>(i) <i>in relation to the Company, an opinion from an independent financial advisor (to be appointed by the Company) in relation to the Acquisition and the Interested Person Transaction being obtained; and</i></p> <p>(ii) <i>in relation to HMC, an opinion from an independent financial advisor (to be appointed by HMC) in relation to the Scheme being obtained;</i></p>
2.	<p>The Scheme Condition set out in Paragraph 4.1(j), reproduced below:</p> <p><i>No material adverse change: no occurrence, on or before the Transfer Date, of any adverse change in the assets, employee base or business of the HMC Group, or as the case may be, the Company since 31 December 2014 that is material to the HMC Group, or as the case may be, the Company, provided that any changes announced by HMC, or as the case may be, the Company between 31 December 2014 and the date hereof shall not be deemed to be an adverse change</i></p>	<p>This Scheme Condition has been revised to the following:</p> <p><i>No material adverse change: no occurrence, on or before the Transfer Date, of any change that has any long term, material and adverse effect to the business, results of operations and financial condition of the HMC Group or the Company (as the context may require) on a consolidated basis. A change which has a long term, material and adverse effect to the business, results of operations and financial condition of the HMC Group or the Company (as the context may require) on a consolidated basis is one which results in a reduction of the earnings before interest, tax, depreciation and amortisation of the HMC Group or the Company (as the context may require), calculated in accordance with the HMC Group's or the Company's (as the context may require) accounting policies and as reflected in the latest publicly-released consolidated unaudited financial statements of the HMC Group or the Company (as the context may require) prior to the Transfer Date of more than 20 per cent., provided that any effect on the HMC Group or the Company (as the context may require) arising from, referable or attributable to or aggravated by any of the following shall not be taken</i></p>

into account:

- (i) *any changes announced by HMC or the Company (as the context may require) between 31 December 2014 and the date of the Implementation Agreement;*
- (ii) *changes in currency translation;*
- (iii) *changes in financial, credit, capital or stock markets, interest rates, exchange rates, commodity prices, trading suspensions on any securities exchange or over-the-counter market or other social, financial, economic, industrial or political conditions in Singapore or any other country or region in the world;*
- (iv) *acts of war, sabotage or terrorism, earthquakes, hurricanes, floods, fires or other natural disasters or other force majeure events in Singapore or any other country or region in the world (including any escalation or general worsening of any of the same);*
- (v) *the passing, or any changes of or in any law, rule, regulation or administrative practice of any governmental agency, any changes in accounting policy, bases or practice, any changes in the rates, imposition, policy, bases or practice or withdrawal of relief of or from taxation, or changes to the generally accepted interpretation or application of any of the foregoing in Singapore or any other country or region in the world, after the date of the Implementation Agreement;*
- (vi) *the issue of the announcements dated 19 June 2015 by the Company and HMC in connection with the Acquisition or the pendency or consummation of the transactions contemplated by the Acquisition; or*
- (vii) *any failure by HMC or a HMC Group Company, or the Company (as the context may require) to meet any public estimates or expectations of its revenue, earnings or other financial performance or results of operations for any period, or any failure by HMC or any HMC Group Company, or the Company (as the context may require) to meet any internal budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations.*

3. The Scheme Condition set out in Paragraph 4.1(k), reproduced below:

This Scheme Condition has been deleted in its entirety.

No material inaccuracy: no discovery, on or before the Transfer Date, of any material inaccuracy in any announcement (including but not limited to any announcement of financial results) made by HMC, or as the case may be, the Company on the SGX-ST

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4. The termination provision set out in Paragraph 5.1.2 is reproduced below, in the context as it appears in the Implementation Agreement:
- This termination provision has been revised to the following:

Termination by Court Order or Notice. Without prejudice to any other right of termination under the Implementation Agreement, the Implementation Agreement may be terminated at any time prior to the Transfer Date:

- (a) *by either Party if any court of competent jurisdiction has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme or any part thereof, or has refused to do anything necessary to permit the Scheme or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable; or*
- (b) *if there shall have been a breach by any Party of its obligations under the Implementation Agreement and such breach is material in the context of the Scheme, by the Party not in default and having the benefit of such obligations, after prior consultation with the SIC, by fourteen (14) days' written notice to the other Party.*

For the avoidance of doubt, if the Implementation Agreement is not terminated because the SIC does not for any reason consent to the same, the non-termination of the Implementation Agreement does not amount to a waiver of any claims or rights which any Party may have against the other Parties in relation to the non-fulfilment of the relevant Scheme Conditions in Paragraph 4.1.

Termination by Court Order or Notice. Without prejudice to any other right of termination under the Implementation Agreement, the Implementation Agreement may be terminated at any time prior to the Transfer Date as follows:

- (a) *by either Party if any court of competent jurisdiction has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme or any part thereof, or has refused to do anything necessary to permit the Scheme or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable; or*
- (b) *if there shall have been a breach by any Party of its obligations under the Implementation Agreement and such breach is material in the context of the Scheme, by the Party not in default and having the benefit of such obligations, after prior consultation with the SIC, by fourteen (14) days' written notice to the other Party.*

For the avoidance of doubt, a breach of Clauses 2, 3 or 9 of the Implementation Agreement is deemed to be a breach that is material in the context of the Scheme. If the Implementation Agreement is not terminated because the SIC does not for any reason consent to the same, the non-termination of the Implementation Agreement does not amount to a waiver of any claims or rights which any Party may have against the other Parties in relation to the non-fulfilment of the relevant Scheme Conditions in Paragraph 4.1.

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5. (I) Prescribed Occurrence (i) relating to the Company as set out in Schedule 1 – Prescribed Occurrences, set out below:
- (I) Prescribed Occurrence (i) relating to the Company as set out in Schedule 1 – Prescribed Occurrences has been deleted in its entirety.

Breach of the Implementation Agreement:
the Company being in material breach of
any of the provisions of the
Implementation Agreement

- (II) Prescribed Occurrence (n) relating to HMC as set out in Schedule 1 – Prescribed Occurrences, set out below:

- (II) Prescribed Occurrence (n) relating to HMC as set out in Schedule 1 – Prescribed Occurrences has been deleted in its entirety.

Breach of the Implementation Agreement:
HMC being in material breach of any of
the provisions of the Implementation
Agreement

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6. (I) Prescribed Occurrence (g) relating to the Company as set out in Schedule 1 – Prescribed Occurrences, set out below:

- (I) Prescribed Occurrence (g) relating to the Company as set out in Schedule 1 – Prescribed Occurrences, set out below:

Insolvency: the Company becoming or being deemed by law or a court of competent jurisdiction to be insolvent or stops or suspends or defaults on or threatens to stop or suspend or default on payment of its debts of a material amount as they fall due

Insolvency: the Company becoming or being deemed by law or a court of competent jurisdiction to be insolvent or becomes unable to pay its debts as they fall due

- (II) Prescribed Occurrence (I) relating to HMC as set out in Schedule 1 – Prescribed Occurrences, set out below:

- (II) Prescribed Occurrence (I) relating to HMC as set out in Schedule 1 – Prescribed Occurrences, set out below:

Insolvency: any HMC Group Company becoming or being deemed by law or a court of competent jurisdiction to be insolvent or stops or suspends or defaults on or threatens to stop or suspend or default on payment of its debts of a material amount as they fall due

Insolvency: HMC becoming or being deemed by law or a court of competent jurisdiction to be insolvent or becomes unable to pay its debts as they fall due

- 3.3. Pursuant to the Supplemental Implementation Agreement, the Parties have also agreed to amend Clause 3.3 of the Implementation Agreement, as follows:

Clause 3.3 of the Implementation Agreement prior to the Supplemental Implementation Agreement

Clause 3.3 of the Implementation Agreement, pursuant to the Supplemental Implementation Agreement

Conditions to Approval. Each Party agrees that:

- (a) where any approval or consent which is required to be obtained by it is granted subject to any condition, such condition must be reasonably acceptable to the Party affected by such condition imposed or applied; and
- (b) where any condition imposed or applied is required to be fulfilled by a particular date, such condition is so fulfilled,

Conditions to Approval. Each Party agrees that where any approval or consent which is required to be obtained by it is required to be fulfilled by a particular date, such condition is so fulfilled, failing which each Party agrees that the Scheme Condition in question shall not be deemed to have been fulfilled (unless waived by the Parties in writing).

failing which each Party agrees that the Scheme Condition in question shall not be deemed to have been fulfilled (unless waived by the Parties in writing). The Parties agree that, in the case of any approval or consent falling under the Scheme Conditions, the Party affected by the conditions imposed or applied in granting such approval or consent under the Scheme Condition shall be deemed to have found the conditions reasonably acceptable unless it notifies the other Party in writing to the contrary within seven (7) business days of the receipt of the relevant approval or consent.

4. DOCUMENTS FOR INSPECTION

The Supplemental Implementation Agreement is available for inspection during normal business hours at the Company's registered office at 2 Leng Kee Road, #02-07, Singapore 159086 for three months from the date of this announcement or up to the Effective Date, whichever is the later.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company (including any who have 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, that no material facts have been omitted from this announcement, and that they jointly and severally accept responsibility accordingly. Where any information has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors of the Company has been to ensure that such information has been accurately and correctly extracted from such sources and/or reproduced in this announcement in its proper form and context.

By Order of the Board
Dr Jong Hee Sen
Non-Executive Chairman
3 September 2015

This announcement has been prepared by International Healthway Corporation Limited (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.