

# 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

### - SIGNING OF SECOND SUPPLEMENTAL AGREEMENT

#### 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, 27 August 2015, 3 September 2015 and 16 September 2015 (the “**Announcements**”) in relation to the proposed acquisition (the “**Acquisition**”) by the Company of the entire 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. SUPPLEMENTAL IMPLEMENTATION AGREEMENT

- 2.1. The Board of Directors wishes to inform Company’s Shareholders that the Parties have on 21 September 2015, entered into a second supplemental implementation agreement (the “**Second Supplemental Agreement**”), amending certain provisions relating to the consideration for the HMC Shares in the Implementation Agreement. The amendments are set out in Paragraph 2.2 below.
- 2.2. The amendments made in the Second Supplemental 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 Second Supplemental Agreement
1.	<p>The consideration provision set out in Paragraph 3.1.2, reproduced below:</p> <p><i>the consideration for each HMC Share shall be S\$0.10 (the “<b>Consideration</b>”), and such consideration shall be satisfied through the allotment and issuance of new ordinary shares in the share capital of the Company (the “<b>Consideration Shares</b>”) to the HMC Shareholders at an issue price of S\$0.45 for each Consideration Share (the “<b>IHC Issue Price</b>”). For the avoidance of doubt, under the Scheme, no cash consideration will be paid to the HMC Shareholders. Upon the Scheme becoming effective and on the Transfer Date (as defined herein), each of HMC Shareholders will be entitled to receive Consideration Shares based on the ratio of 1 Consideration Share for every 4.5 HMC Shares held as at the HMC Books</i></p>	<p>This consideration provision has been revised to the following:</p> <p><i>the consideration for each HMC Share shall be S\$0.10 (the “<b>Consideration</b>”), and such consideration shall be satisfied through the allotment and issuance of new ordinary shares in the share capital of the Company (the “<b>Consideration Shares</b>”) to the HMC Shareholders at an issue price of S\$0.43 for each Consideration Share (the “<b>IHC Issue Price</b>”). For the avoidance of doubt, under the Scheme, no cash consideration will be paid to the HMC Shareholders. Upon the Scheme becoming effective and on the Transfer Date (as defined herein), each of HMC Shareholders will be entitled to receive Consideration Shares based on the ratio of 10 Consideration Shares for every 43 HMC Shares held as at the HMC Books Closure Date.</i></p>

*Closure Date. Any fractional entitlements of Consideration Shares shall be disregarded. The Consideration Shares shall be issued fully paid, free from all and any encumbrances and rank pari passu in all respects with the then existing ordinary shares of the Company*

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- 2.3. The Parties have also agreed that the Second Supplemental Agreement shall be conditional upon clearance from the Securities Industries Council of Singapore ("**SIC**") (if required).
- 2.4. The revised Consideration and share swap ratio was arrived at after taking into consideration, amongst others:
- (i) the Net Tangible Assets ("**NTA**") per share of IHC and HMC as at 30 June 2015; and
  - (ii) the relative Volume Weighted Average Price ("**VWAP**") of IHC and HMC for the period from 1 April 2014 to 31 March 2015 (which excludes the share price of IHC from April 2015 to the present, being the subject of an SGX-ST caution released on 9 September 2015).

### 3. CATEGORISATION OF THE ACQUISITION UNDER CHAPTER 10 OF THE CATALIST RULES

Pursuant to the revised Consideration and share swap ratio, the relative figures in relation to the Acquisition pursuant to Rule 1006 of the Catalist Rules, calculated based on the latest announced unaudited consolidated financial statements of the Group as at the date of the Implementation Agreement for the 3-month financial period ended 31 March 2015 ("**1Q2015**"), are as follows:

(a)	Net asset value of assets to be disposed of, compared with the Group's net asset value. This basis is not applicable for acquisition of assets.	Not applicable <sup>(1)</sup>
(b)	Net profits/loss attributable to the assets acquired or disposed of, compared with the Group's net profits/loss	546.05% <sup>(2)</sup>
(c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued share excluding treasury shares	32.61% <sup>(3)</sup>
(d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	32.61% <sup>(4)</sup>
(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the group's proven and probable reserves. This is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable <sup>(1)</sup>

**Notes:**

- (1) Not applicable for the Acquisition.
- (2) The net profit before tax, non-controlling interest and extraordinary items attributable to the assets acquired is based on the latest announced consolidated financial statements of the HMC Group of approximately S\$4.15 million for 1Q2015 and the net profit before tax, non-controlling interest and extraordinary items of the IHC Group of approximately S\$0.76 million for 1Q2015.
- (3) The aggregate value of the consideration of approximately S\$156.93 million is determined by multiplying the total number of Consideration Shares of approximately 541,147,484 by S\$0.29, being the weighted average price of IHC Shares on the market day preceding the date of the Implementation Agreement. The market capitalisation of the Company, determined by multiplying 1,659,064,603 ordinary shares issued in the capital of the Company ("**IHC Shares**") by S\$0.29 per IHC Share,

being the weighted average price of IHC Shares on the market day preceding the date of the Implementation Agreement, is approximately S\$481.13 million.

- (4) The number of Consideration Shares to be issued for the Acquisition is approximately 541,147,484. The number of IHC Shares in issue as at the date of the Implementation Agreement is 1,659,064,603.

As the only relative figure that exceeds 100.0% is Rule 1006(b) of the Catalist Rules, an exemption under Rule 1015(8) of the Catalist Rules that the Acquisition is not considered a “very substantial acquisition” or “reverse takeover” as defined under Chapter 10 of the Catalist Rules, would apply to the Acquisition.

Pursuant thereto, as the remaining relevant relative figures calculated under Rule 1006 of the Catalist Rules are greater than 5% but less than 75%, the Proposed Acquisition is considered a “discloseable transaction” as defined under Chapter 10 of the Catalist Rules.

#### **4. INTERESTED PERSON TRANSACTION**

Fan Kow Hin, Aathar Ah Kong Andrew and Dr Jong Hee Sen are “interested persons” for the purposes of Chapter 9 of the Catalist Rules.

In addition, Siew Teng Kean, an independent director of the Company, is an “interested person” for the purposes of Chapter 9 of the Catalist Rules as the value of the Acquisition with respect to Siew Teng Kean (based on the revised Consideration) is above S\$100,000 (but less than 3% of the Group’s NTA). As such, Siew Teng Kean will abstain from voting in respect of his own shares for the resolution to authorise the Acquisition as an Interested Person Transaction in an extraordinary general meeting of the Company to be convened. The Board of Directors of the Company have deliberated on the above and considered Siew Teng Kean to be independent for the purpose of making a recommendation to the Shareholders in respect of the Acquisition.

Pursuant to the revised Consideration and share swap ratio, the value of the Interested Person Transactions in relation to this Acquisition is approximately S\$53.17 million, which represents approximately 32.59% of the latest audited consolidated NTA of the Group as at 31 December 2014.

#### **5. DOCUMENTS FOR INSPECTION**

The Second Supplemental 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.

#### **6. 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  
21 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.