



PROPOSED JAPAN REFINANCING

The Board of Directors (the “**Board**”) of International Healthway Corporation Limited (the “**Company**”) and its subsidiaries (the “**Group**”) are pleased to announce that it has signed a non-binding term sheet with a major international bank for a mezzanine loan of up to JPY 8 billion (approximately S\$99.2 million) with a loan period of 3 years to refinance the TMK Bonds* issued by IHC Japan First TMK, a wholly owned subsidiary of the Group (“**Proposed TMK Refinancing**”).

This is part of the Company’s proposed refinancing package of up to JPY 18 billion (approximately SGD 223.2 million) comprising a senior debt of up to JPY 10 billion (approximately SGD 124.0 million) from another third party lender (“**Proposed Senior Debt Financing**”) and the Proposed TMK Refinancing (collectively, the “**Proposed Japan Refinancing**”). The Company is currently in discussions with other Japanese banks on the Proposed Senior Debt Financing.

The preliminary terms of the Proposed TMK Refinancing is subject to, *inter alia*, the obtaining of the Proposed Senior Debt Financing at certain terms. Assuming the completion of the Proposed Japan Refinancing which is expected to be in the 1st Quarter of the financial year ending 31 December 2017, the total loan will amount to JPY 18 billion (approximately SGD 223.2 million). Currently, the TMK Bonds outstanding is JPY 12 billion (approximately SGD 148.8 million), that was refinanced in April 2016. The estimated net proceeds from the Proposed Japan Refinancing of approximately JPY 6 billion (approximately SGD 74.4 million) before deducting transaction costs, is intended to be used substantially for the repayment of the Group’s borrowings.

IHC Japan First TMK owns 12 nursing homes and 1 annex (“**Japan Investment Properties**”), which contributed revenue amounting to approximately SGD 15.5 million to the Group in the financial year ended 31 December 2015. These Japan Investment Properties with a total gross floor area of around 90,000 sqm and includes approximately 1,500 fully furnished rooms, has a combined fair value of around JPY 23.9 billion (approximately SGD 296.4 million) as stated in the audited financial statements of the Group for the financial year ended 31 December 2015, and are fully leased out to local nursing home operators with strong track records under 30-year term master lease agreements starting from 2013.

No definitive agreements have been entered into by the Company with any lenders in relation to the Proposed Japan Refinancing. Accordingly, there is no certainty or assurance that the Proposed Japan Refinancing will materialise.

The Company will provide further updates on the Proposed Japan Refinancing, including the finalised terms of the Proposed Japan Refinancing, through SGXNET if and when there are any material developments relating thereto.

Shareholders of the Company are, in the meantime, advised to exercise caution when trading in the shares of the Company. When in doubt as to the action they should take, shareholders should consult their financial, tax or other advisors.

* A TMK is a type of corporation which can be formed under Japanese law. Bonds issued by a TMK are called TMK Bonds.

Note: Exchange rates used herein are based on JPY1: SGD0.0124.

By Order of the Board

Lim Beng Choo
Executive Director
15 December 2016

*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 Catalyst. 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.