

CIRCULAR DATED 16 MARCH 2017

THIS CIRCULAR IS IMPORTANT AND CONTAINS THE RECOMMENDATIONS OF THE DIRECTORS OF INTERNATIONAL HEALTHWAY CORPORATION LIMITED ("COMPANY") AND THE ADVICE OF ZICO CAPITAL PTE. LTD. TO THE DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the contents herein or as to any action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or any other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee. If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited, you need not forward this Circular to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of the Circular.

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

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 049418, telephone (65) 6229 8088.



INTERNATIONAL HEALTHWAY CORPORATION LIMITED

(Company Registration Number: 201304341E)

(Incorporated in the Republic of Singapore)

(In receivership over charged shares in certain subsidiaries)

CIRCULAR TO SHAREHOLDERS

in relation to the

MANDATORY UNCONDITIONAL CASH OFFER

by

STANDARD CHARTERED BANK

(Company Registration Number: S16FC0027L)

(Incorporated in the Republic of Singapore)

CREDIT SUISSE (SINGAPORE) LIMITED

(Company Registration Number: 197702363D)

(Incorporated in the Republic of Singapore)

for and on behalf of

TREASURE INTERNATIONAL HOLDINGS PTE. LTD.

(Company Registration Number: 201532428Z)

(Incorporated in Republic of Singapore)

a direct wholly-owned subsidiary of

QUE LIMITED

(Company Registration Number: 196400050E)

(Incorporated in Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of the Company other than those already owned, controlled or agreed to be acquired by Treasure International Holdings Pte. Ltd. and parties acting in concert with it in relation to the Offer

Independent Financial Adviser to the Directors



ZICO CAPITAL PTE. LTD.

(Company Registration Number: 201613589E)

(Incorporated in the Republic of Singapore)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 30 MARCH 2017 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.

CONTENTS

DEFINITIONS	2
CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS	7
INDICATIVE TIMETABLE	8
LETTER TO SHAREHOLDERS.....	9
1. INTRODUCTION	9
2. THE OFFER.....	10
3. INFORMATION ON THE OFFEROR AND OUE	13
4. RATIONALE FOR THE OFFER.....	19
5. LISTING STATUS AND COMPULSORY ACQUISITION	20
6. OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY	21
7. ADVICE AND RECOMMENDATIONS IN RESPECT OF THE OFFER	22
8. OVERSEAS SHAREHOLDERS.....	26
9. ACTION TO BE TAKEN BY SHAREHOLDERS	29
10. DIRECTORS' RESPONSIBILITY STATEMENT	29
11. ADDITIONAL GENERAL INFORMATION	29
APPENDIX I – IFA LETTER	30
APPENDIX II – ADDITIONAL GENERAL INFORMATION	85
APPENDIX III – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	93
APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION.....	106
APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY	148
APPENDIX VI – VALUATION CERTIFICATES.....	168

DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist in force as at the Latest Practicable Date
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders issued by the Company in relation to the Offer
“Closing Date”	:	30 March 2017, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances for the Offer
“Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended, supplemented or modified from time to time
“Company”	:	International Healthway Corporation Limited
“Company Securities”	:	(i) Shares; or (ii) securities which carry voting rights in the Company; or (iii) convertible securities, warrants, options or derivatives in respect of (i) or (ii)
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore as amended, supplemented or modified from time to time
“Constitution”	:	The Constitution of the Company, as may be amended or modified from time to time
“CPF”	:	The Central Provident Fund
“CPF Agent Banks”	:	Agent banks included under the CPFIS
“CPFIS”	:	Central Provident Fund Investment Scheme
“CPFIS Investors”	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
“Directors”	:	The directors of the Company (all of whom are regarded to be independent for the purposes of making a recommendation to the Shareholders in respect of the Offer) as at the Latest Practicable Date
“FAA”	:	Form of Acceptance and Authorisation for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Shares are deposited with CDP

DEFINITIONS

“FAT”	:	Form of Acceptance and Transfer for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Shares are not deposited with CDP
“FY”	:	Financial year ended or ending (as the case may be) on 31 December of a particular year as stated
“Group”	:	The Company and its subsidiaries
“IFA”	:	ZICO Capital Pte. Ltd., the independent financial adviser to the Directors in respect of the Offer
“IFA Letter”	:	The letter dated 16 March 2017 issued by the IFA to the Directors containing, <i>inter alia</i> , the advice and recommendations of the IFA to the Directors in respect of the Offer, as set out in Appendix I to this Circular
“Interested Person”	:	As defined in the note on Rule 23.12 of the Code to mean: (a) a director, chief executive officer or substantial shareholder of the Company; (b) the immediate family of a director, the chief executive officer or a substantial shareholder (being an individual) of the Company; (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary; (d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more; (e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or (f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more.
“Latest Practicable Date”	:	9 March 2017, being the latest practicable date prior to the printing of this Circular
“Market Day”	:	A day on which the SGX-ST is open for trading of securities

DEFINITIONS

“Offer”	:	The mandatory unconditional cash offer by Standard Chartered Bank and Credit Suisse (Singapore) Limited, for and on behalf of the Offeror, to acquire all the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
“Offer Announcement”	:	The announcement issued by Standard Chartered Bank and Credit Suisse (Singapore) Limited, for and on behalf of the Offeror, on the Offer Announcement Date in relation to the Offer
“Offer Announcement Date”	:	16 February 2017, being the date of the Offer Announcement
“Offer Document”	:	The offer document dated 2 March 2017 issued by Standard Chartered Bank and Credit Suisse (Singapore) Limited, for and on behalf of the Offeror, in respect of the Offer, and any other document(s) which may be issued by or on behalf of the Offeror to amend, revise, supplement or update such offer document from time to time
“Offer Price”	:	S\$0.106 in cash for each Offer Share
“Offer Shares”	:	All Shares to which the Offer relates
“Offeror”	:	Treasure International Holdings Pte. Ltd.
“Offeror Securities”	:	(i) Issued and paid-up ordinary shares in the share capital of the Offeror; or (ii) securities which carry voting rights in the Offeror; or (iii) convertible securities, warrants, options or derivatives in respect of (i) or (ii)
“OUE”	:	OUE Limited
“Overseas Shareholders”	:	Shareholders whose addresses are outside Singapore as shown on the register of Shareholders maintained by the Share registrar, or as the case may be, in the records of CDP
“Securities Account”	:	A securities account maintained by a depositor with CDP but does not include a securities sub-account
“Securities and Futures Act”	:	The Securities and Futures Act (Chapter 289) of Singapore as amended, supplemented or modified from time to time

DEFINITIONS

“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Purchase Agreement”	:	The sale and purchase agreement dated 16 February 2017 entered into between the Vendors and the Offeror for the purchase by the Offeror of a total of 593,470,029 Shares, representing 35.77% of the capital of the Company
“Shareholders”	:	Registered holders of Shares, including Depositors whose Shares are deposited with CDP or who have purchased the Shares on the SGX-ST, and “Shareholder” shall be construed accordingly
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	Securities Industry Council of Singapore
“SRS”	:	Supplementary Retirement Scheme
“SRS Agent Banks”	:	Agent banks included under the SRS
“SRS Investors”	:	Investors who have purchased Shares pursuant to the SRS
“Subject Properties”	:	The properties set out in Appendix VI to this Circular
“Valuation Certificates”	:	Has the meaning ascribed to it in paragraph 10 of Appendix II to this Circular, as set out in Appendix VI to this Circular
“Valuers”	:	The independent valuers engaged by the Company, comprising Colliers International, Raine & Horne International Zaki + Partners Sdn. Bhd. and Savills Real Estate Valuation (Guangzhou) Ltd. Shanghai Branch
“Vendors”	:	Ching Chiat Kwong, Low See Ching, Low Bee Lan Audrey and Tee Wee Sien

Units and currencies

“\$” or “S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
“%” or “per cent.”	:	Per centum or percentage

Acting in Concert. The expression “acting in concert” shall have the meaning ascribed to it in the Code.

Depositors and Depository Agents. The terms “depositor” and “depository agent” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

DEFINITIONS

Extracts from the Offer Document. All terms and expressions used in the information extracted from the Offer Document shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

Gender. 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 gender and vice versa. References to persons shall, where applicable, include corporations.

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Rounding. Any discrepancies in figures included in this Circular between amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be arithmetic aggregations of the figures that precede them.

Shareholders. References to “you”, “your” and “yours” in this Circular are, as the context so determines, to Shareholders (including persons whose Offer Shares are deposited with CDP or who have purchased Offer Shares on the SGX-ST).

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the Catalist Rules or the Code or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Catalist Rules or the Code, or any modification thereof, as the case may be, unless the context otherwise requires.

Time and Date. Any reference to a time of the day and date in this Circular shall be a reference to Singapore time and date, respectively, unless otherwise stated.

Total Number of issued Shares. Any reference in this Circular to the total number of issued Shares is a reference to a total of 1,659,064,603 Shares as at the Latest Practicable Date.

Certain statements which are reproduced in their entirety from the Offer Document, the IFA Letter and/or the Constitution are set out in this Circular, and capitalised terms used within these reproduced statements shall bear the meanings ascribed to them in the Offer Document, the IFA Letter and the Constitution respectively.

CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “shall”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

INDICATIVE TIMETABLE

Date of despatch of the Offer Document	:	2 March 2017
Date of despatch of this Circular	:	16 March 2017
Closing Date and time ⁽¹⁾	:	5.30 p.m. (Singapore time) on 30 March 2017, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last date and time for the lodgement of acceptances of the Offer
Date of settlement of consideration for valid acceptances of the Offer ⁽²⁾	:	Within seven (7) business days after the Closing Date

Notes:

- (1) CPFIS Investors, SRS Investors and other investors who hold Shares through finance companies or Depository Agents will receive notification letter(s) from their respective CPF Agent Banks, SRS Agent Banks, finance companies and Depository Agents. Such investors should refer to those notification letter(s) for details of the last date and time (which may be earlier than the Closing Date) to reply to their respective CPF Agent Banks, SRS Agent Banks, finance companies and Depository Agents in order to accept the Offer.
- (2) Please refer to paragraph 2 of Appendix A to the Offer Document for further details.

LETTER TO SHAREHOLDERS

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

(Company Registration Number: 201304341E)
(Incorporated in the Republic of Singapore)
(In receivership over charged shares in certain subsidiaries)

Directors:

Tay Eng Kiat, Jackson (Independent Director)
Tan Chade Phang, Roger (Independent Director)
Sho Kian Hin, Eric (Independent Director)

Registered Office:

2 Leng Kee Road
#02-07 Thye Hong Centre
Singapore 159086

16 March 2017

To: The Shareholders of International Healthway Corporation Limited

Dear Sir/Madam

MANDATORY UNCONDITIONAL CASH OFFER BY STANDARD CHARTERED BANK AND CREDIT SUISSE (SINGAPORE) LIMITED, FOR AND ON BEHALF OF TREASURE INTERNATIONAL HOLDINGS PTE. LTD., FOR THE OFFER SHARES

1. INTRODUCTION

1.1 Offer Announcement

On 16 February 2017, Standard Chartered Bank and Credit Suisse (Singapore) Limited announced, for and on behalf of the Offeror, *inter alia*, that the Offeror intends to make a mandatory unconditional cash offer for all the issued Shares other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it in relation to the Offer, pursuant to the Share Purchase Agreement. The Share Purchase Agreement was completed on 20 February 2017, which resulted in the Offeror and its concert parties having incurred an obligation to extend the Offer pursuant to Rule 14 of the Code.

A copy of the Offer Announcement dated 16 February 2017 is available on the website of the SGX-ST at www.sgx.com.

1.2 Offer Document

Shareholders would have, as at the date of this Circular, received a copy of the Offer Document, as announced by Standard Chartered Bank and Credit Suisse (Singapore) Limited, for and on behalf of the Offeror, to have been despatched on 2 March 2017, setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in section 2 of the Offer Document and Appendix A to the Offer Document.

Shareholders are urged to read the terms and conditions of the Offer set out in the Offer Document carefully.

A copy of the Offer Document is available on the website of the SGX-ST at <http://www.sgx.com>.

LETTER TO SHAREHOLDERS

1.3 Independent Financial Adviser

ZICO Capital Pte. Ltd. has been appointed as the IFA to the Directors in respect of the Offer. The advice of the IFA is set out in the IFA Letter in **Appendix I** to this Circular.

1.4 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendations of the Directors and the advice and recommendations of the IFA to the Directors in respect of the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter carefully and consider the advice and recommendations of the IFA to the Directors and the recommendations of the Directors set out in this Circular before deciding whether or not to accept the Offer.

If you are in any doubt about the Offer, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

2. THE OFFER

Based on the information set out in the Offer Document, Standard Chartered Bank and Credit Suisse (Singapore) Limited have, for and on behalf of the Offeror, made the Offer to acquire all of the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT. The principal terms and conditions of the Offer, as extracted from the Offer Document, are set out below

2.1 Offer Price

Section 2.2 of the Offer Document states that the Offer Price for each Offer Share will be as follows:

“2.2 Offer Price

Consideration for each Offer Share will be as follows:

For each Offer Share: SGD0.106 in cash

The Offer Price is the purchase price for each Share acquired by the Offeror from the Vendors under the Share Purchase Agreement.”

LETTER TO SHAREHOLDERS

2.2 No Encumbrances and Offer Shares

Section 2.3 of the Offer Document states the following:

“2.3 No Encumbrances

The Offer Shares will be acquired:

- (a) fully paid-up;*
- (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever; and*
- (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by the Company) on or after Offer Announcement Date.*

If any dividend, right or other distribution or return of capital is announced, declared, paid or made by the Company on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such dividend, right, other distribution or return of capital.

The Offer will be extended, on the same terms and conditions, to all the issued Shares other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert or deemed to be acting in concert with it.”

2.3 Offer Unconditional

Section 2.4 of the Offer Document states the following:

“2.4 Offer Unconditional

As at the Latest Practicable Date, the Offeror and parties acting in concert with it together hold an aggregate of 980,920,363 Shares, representing approximately 59.12% of all the issued Shares in the capital of the Company, and as such, the Offer is unconditional in all respects.

The Offer is therefore not conditional upon the level of acceptances which the Offeror may receive in respect of the Offer.”

LETTER TO SHAREHOLDERS

2.4 Warranty

Section 3 of the Offer Document states the following:

“3. WARRANTY

Acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder(s) that the Offer Shares tendered in acceptance of the Offer are sold by the accepting Shareholder(s), as or on behalf of the beneficial owner(s) thereof:

- (a) fully paid-up;*
- (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever; and*
- (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by the Company) on or after the Offer Announcement Date.*

If any dividend, right or other distribution or return of capital is announced, declared, paid or made by the Company on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such dividend, right, other distribution or return of capital.”

2.5 Duration of the Offer

Paragraph 1.1 of Appendix A to the Offer Document states the following:

“1.1 First Closing Date

Pursuant to Rule 22.3 of the Code, except insofar as the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder, the Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the Despatch Date.

Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 30 March 2017 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.”

LETTER TO SHAREHOLDERS

2.6 Details of the Offer

The Offer is made in accordance with the principal terms and conditions as set out in the Offer Document. Further details of the Offer, including details on (a) the settlement of the consideration for the Offer, (b) the requirements relating to the announcement of the level of acceptances of the Offer, and (c) the right of withdrawal of acceptances of the Offer, are set out in Appendix A to the Offer Document.

2.7 Procedures for Acceptance

The procedures for acceptance of the Offer are set out in Appendix B to the Offer Document.

3. INFORMATION ON THE OFFEROR AND OUE

3.1 Information on the Offeror

Information on the Offeror is set out in section 4.1 of the Offer Document and Appendix C to the Offer Document, which are extracted and reproduced in italics below.

“4.1 The Offeror

The Offeror is a private limited company incorporated in Singapore, and is a direct wholly-owned subsidiary of OUE. The principal activity of the Offeror consists of investment holding. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of SGD1.00 comprising 1 issued ordinary share, and the sole director of the Offeror is Mr Thio Gim Hock, the Chief Executive Officer and Group Managing Director of OUE.”

“1. DIRECTORS OF THE OFFEROR

The name, address and description of the sole director of the Offeror as at the Latest Practicable Date are set out below:

<i>Name</i>	<i>Address</i>	<i>Designation</i>
<i>Thio Gim Hock</i>	<i>c/o OUE Limited 50 Collyer Quay #18-01/02 OUE Bayfront Singapore 049321</i>	<i>Director</i>

2. PRINCIPAL ACTIVITIES AND SHARE CAPITAL

The Offeror is a private limited company incorporated in Singapore on 20 August 2015 and is a direct wholly-owned subsidiary of OUE. The principal activity of the Offeror consists of investment holding. The Offeror’s registered office is 50 Collyer Quay, #18-01/02 OUE Bayfront, Singapore 049321.

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of SGD1.00 comprising one (1) issued ordinary share.

LETTER TO SHAREHOLDERS

3. SUMMARY OF FINANCIAL PERFORMANCE

As the Offeror was incorporated on 20 August 2015 as an investment holding company, no audited or unaudited financial statements of the Offeror have been prepared as at the Latest Practicable Date for inclusion in this Offer Document. As no audited statements of the Offeror have been prepared as at the Latest Practicable Date, there are no significant accounting policies to be noted.

4. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as disclosed in this Offer Document and save for the making of the Offer, there has been no known material change in the financial position of the Offeror since its incorporation.”

3.2 Information on OUE

Information on OUE is set out in section 4.2 of the Offer Document and Appendix D to the Offer Document, as amended pursuant to the Offeror’s announcements dated 3 March 2017 and 9 March 2017, which are extracted and reproduced in italics below.

“4.2 OUE

OUE is listed on the Main Board of the SGX-ST. The OUE Group is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations across Asia and the United States. The OUE Group grows its business by leveraging its brand and proven expertise in developing and managing landmark assets across the commercial, hospitality, retail and residential property segments. Some of its assets include OUE Downtown, OUE Bayfront, One Raffles Place, Mandarin Orchard Singapore and the US Bank Tower in Los Angeles, USA.

With its core strategy of investing in and enhancing a stable of distinctive properties, OUE is committed to developing a portfolio that has a strong recurrent income base, balanced with development profits. Accordingly, the OUE Group will continue assessing potential investment opportunities in real estate which are aligned with its growth strategy and business focus. In 2013, the OUE Group diversified into the fund management business. OUE is the sponsor of two (2) listed real estate investment trusts in Singapore, namely OUE Hospitality Trust and OUE Commercial Real Estate Investment Trust.

As at the Latest Practicable Date, OUE has an issued and paid-up share capital of SGD698,885,206 comprising 901,815,860 issued ordinary shares and 79,786,000 treasury shares.”

LETTER TO SHAREHOLDERS

“1. **DIRECTORS OF OUE**

The names, addresses and descriptions of the directors of OUE as at the Latest Practicable Date are set out below:

Name	Address	Designation
Stephen Riady	c/o OUE Limited 50 Collyer Quay #18-01/02 OUE Bayfront Singapore 049321	Executive Chairman
Christopher James Williams	c/o OUE Limited 50 Collyer Quay #18-01/02 OUE Bayfront Singapore 049321	Deputy Chairman
Thio Gim Hock	c/o OUE Limited 50 Collyer Quay #18-01/02 OUE Bayfront Singapore 049321	Chief Executive Officer/ Group Managing Director
Kelvin Lo Kee Wai	c/o OUE Limited 50 Collyer Quay #18-01/02 OUE Bayfront Singapore 049321	Independent Director
Sin Boon Ann	c/o OUE Limited 50 Collyer Quay #18-01/02 OUE Bayfront Singapore 049321	Independent Director
Kin Chan	c/o OUE Limited 50 Collyer Quay #18-01/02 OUE Bayfront Singapore 049321	Non-Executive/ Non-Independent Director

2. **BACKGROUND INFORMATION AND PRINCIPAL ACTIVITIES**

OUE is listed on the Main Board of the SGX-ST. The OUE Group is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations across Asia and the United States. The OUE Group grows its business by leveraging its brand and proven expertise in developing and managing landmark assets across the commercial, hospitality, retail and residential property segments. Some of its assets include OUE Downtown, OUE Bayfront, One Raffles Place, Mandarin Orchard Singapore and the US Bank Tower in Los Angeles, USA.

LETTER TO SHAREHOLDERS

With its core strategy of investing in and enhancing a stable of distinctive properties, OUE is committed to developing a portfolio that has a strong recurrent income base, balanced with development profits. Accordingly, the OUE Group will continue assessing potential investment opportunities in real estate which are aligned with its growth strategy and business focus. In 2013, the OUE Group diversified into the fund management business. OUE is the sponsor of two (2) listed real estate investment trusts in Singapore, namely OUE Hospitality Trust and OUE Commercial Real Estate Investment Trust.

3. SHARE CAPITAL

As at the Latest Practicable Date, OUE has an issued and paid-up share capital of SGD698,885,206 comprising 901,815,860 issued ordinary shares and 79,786,000 treasury shares.

4. FINANCIAL INFORMATION OF THE OUE GROUP

Certain financial information extracted from OUE's annual reports for FY2013, FY2014 and FY2015 and from the unaudited consolidated financial statements of the OUE Group for FY2016 are set out below. The financial information set out below should be read in conjunction with OUE's annual reports for FY2013, FY2014 and FY2015 and the unaudited consolidated financial statements of the OUE for FY2016 for the relevant financial periods and the related notes thereto.

Copies of OUE's annual reports for FY2013, FY2014, FY2015 and the unaudited OUE financial statements for FY2016 are available for inspection at the Offeror's registered office 50 Collyer Quay, #18-01/02 OUE Bayfront, Singapore 049321 during normal business hours for the period during which the Offer remains open for acceptance and are available on the website of the SGX-ST at www.sgx.com.

4.1 Selected Financial Information relating to Income Statements of the OUE Group for FY2013, FY2014, FY2015 and FY2016

	FY2013 (Audited) SGD'000	FY2014 (Audited) SGD'000	FY2015 (Audited) SGD'000	FY2016 (Unaudited) SGD'000
Revenue	436,564	416,415	431,493	884,241
Other gains/ (losses) – net	(50,218)	1,179,732 ⁽¹⁾	20,257	54,408
Profit before Tax	14,135	1,300,784	201,106	212,550
Profit/(Loss) after Tax	(30,119)	1,240,038	178,771	177,087
Profit/(Loss) attributable to: – shareholders	(36,555)	1,094,020	156,370	144,366

LETTER TO SHAREHOLDERS

	FY2013 (Audited) SGD'000	FY2014 (Audited) SGD'000	FY2015 (Audited) SGD'000	FY2016 (Unaudited) SGD'000
– non-controlling interests	6,436	146,018	22,401	32,721
Earnings per share (cents)	(4.0)	120.2	17.2	16.0
Dividend per share (cents):				
– cash dividend	23.0	2.0	5.0	5.0 ⁽²⁾
– dividend in specie	–	13.9	–	–

Note:

- (1) Included the gain recognised upon the deconsolidation of OUE Hospitality Trust (“**OUE H-TRUST**”). OUE H-TRUST became an associate of OUE and was deconsolidated as a result of a reduction in the OUE Group’s effective interest subsequent to a distribution in specie made to shareholders in FY2014.
- (2) Includes proposed final cash dividend of 2.0 cents per share, subject to approval at the Annual General Meeting to be held on 28 April 2017.

4.2 Statements of Assets and Liabilities of the OUE Group as at 31 December 2015 (audited) and 31 December 2016 (unaudited)

	FY2015 (Audited) SGD'000	FY2016 (Unaudited) SGD'000
Current assets		
Cash and cash equivalents	172,353	238,973
Trade and other receivables	38,931	19,643
Inventories	727	1,124
Other investments	371,399	175,514
Development properties	859,269	724,224
Other assets	35,589	34,324
Derivative assets	32	–
	1,478,300	1,193,802
Non-current assets		
Available-for-sale financial assets	174,223	154,160
Investments in equity-accounted investees	812,695	942,376
Other investments	–	14,990

LETTER TO SHAREHOLDERS

	FY2015 (Audited) SGD'000	FY2016 (Unaudited) SGD'000
Non-current assets		
Other assets	3,255	2,624
Investment properties	5,627,266	5,742,752
Property, plant and equipment	21,337	19,438
Deferred tax assets	6,189	12,948
Derivative assets	6,573	315
	6,651,538	6,889,603
Total assets	8,129,838	8,083,405
Current liabilities		
Trade and other payables	237,740	218,727
Borrowings	157,195	656,046
Provision	–	4,187
Current tax liabilities	27,373	33,718
Derivative liabilities	–	43
	422,308	912,721
Non-current liabilities		
Borrowings	2,767,352	2,245,443
Deferred tax liabilities	119,664	142,641
Deferred income	–	71,877
Other payables	56,142	59,165
Derivative liabilities	180	7,747
	2,943,338	2,526,873
Total liabilities	3,365,646	3,439,594
Net assets	4,764,192	4,643,811
EQUITY		
Share capital	693,315	693,315
Other reserves	(51,672)	(100,441)
Accumulated profits	3,288,829	3,416,457
Equity attributable to owners of the Company	3,930,472	4,009,331
Non-controlling interests	833,720	634,480
Total equity	4,764,192	4,643,811

LETTER TO SHAREHOLDERS

5. MATERIAL CHANGES IN FINANCIAL POSITION

Save as disclosed in publicly available information on the OUE Group, as at the Latest Practicable Date, there has been no known material change in the financial position of the OUE Group since FY2015, being the date of the OUE Group's last published audited financial statements.

6. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of OUE Group are disclosed in Note 3 to the audited consolidated financial statements of the OUE Group in the annual report for FY2015, a copy of which is available for inspection at the registered office of the Offeror as mentioned in paragraph 4 (Documents for Inspection) of Appendix G to this Offer document.

7. CHANGES IN ACCOUNTING POLICIES

There has been no change in the accounting policies of OUE Group which will cause the figures to be set out in paragraph 4 of this Appendix D to be not comparable to a material extent."

4. RATIONALE FOR THE OFFER

The full text of the rationale for the Offer has been extracted from section 6 of the Offer Document and reproduced in italics below.

"6. RATIONALE FOR THE OFFER

6.1 Compliance with the Code

The Offer is made by the Offeror to comply with Rule 14.1 of the Code because following completion of the Acquisition, the Offeror and parties acting in concert with it will have acquired Shares which represent in excess of 30% of the voting rights of the Company.

6.2 Stronger Shareholder Base

Through the Acquisition, the Offeror has increased its shareholding in the Company and thus provides the Company with a stronger shareholder base to support the Company's strategy and growth plans over the medium to long term. With the Offer, minority shareholders of the Company will have the flexibility to tender all, part or none of their Shares in acceptance of the Offer, and have the choice to decide between monetisation and continued participation in the Company's potential growth over the long term."

LETTER TO SHAREHOLDERS

5. LISTING STATUS AND COMPULSORY ACQUISITION

Further information in relation to the listing status of the Company and the compulsory acquisition of the Shares is set out in section 7.1 of the Offer Document, which is extracted and reproduced in italics below.

“7.1 Listing Status and Compulsory Acquisition

Pursuant to Rule 1104 of the Catalist Rules, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of issued Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued Shares (excluding any Shares held in treasury) are held by at least 200 shareholders who are members of the public (the “Free Float Requirement”). Rule 1303(1) of the Catalist Rules provides that if the Offeror succeeds in receiving acceptances exceeding 90% of the total number of issued Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Under Rule 724(1) of the Catalist Rules, if the percentage of the Shares held in public hands falls below 10%, the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares held in public hands to at least 10%, failing which the Company may be delisted.

The Offeror’s present intention is to maintain the listing status of the Company. However, in the event the Free Float Requirement is not satisfied at the close of the Offer, the Offeror will assess the options available to the Offeror and the Company at that time. Accordingly, the Offeror may decide not to take steps to preserve the listing status of the Company on the SGX-ST if the Free Float Requirement is not satisfied.

Pursuant to Section 215(1) of the Act, in the event that the Offeror acquires not less than 90% of the total number of issued Shares as at the close of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares from shareholders of the Company who have not accepted the Offer at a price equal to the Offer Price.

LETTER TO SHAREHOLDERS

In addition, pursuant to Section 215(3) of the Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares as at the close of the Offer, the shareholders of the Company who have not accepted the Offer have a right to require the Offeror to acquire their Shares at the Offer Price. Such shareholders of the Company who wish to exercise such a right are advised to seek their own independent legal advice.

As stated above, the Offeror's present intention is to maintain the listing status of the Company. However, if the Offeror receives acceptances pursuant to the Offer in respect of not less than 90% of the total number of Offer Shares in issue as at the close of the Offer (other than those already held by the Offeror, its related companies and their respective nominees as at the Despatch Date), the Offeror will consider whether or not to exercise its rights of compulsory acquisition under Section 215(1) of the Act to acquire those Offer Shares not acquired by the Offeror pursuant to the Offer."

6. OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

Information on the Offeror's intentions in relation to the Company is set out in section 7.2 of the Offer Document, which is extracted and reproduced in italics below.

"7.2 The Offeror's Intentions Relating to the Company

As stated above, the Offeror's present intention is to maintain the listing status of the Company. In view of the Company's liquidity requirements and in line with the Company's announcement dated 21 February 2017 in relation to the comfort letter from OUE, OUE and the Offeror intend to review the business and financial situation of the Company and its subsidiaries, and to also engage with the creditors and stakeholders of the Company and its subsidiaries with a view to understanding, addressing and, if necessary, restructuring the financing of the Company and its subsidiaries. It is the Offeror's long-term intention, subject to such review, to work towards stabilising the Company's business and financial position. In this regard, the Offeror has advanced a certain amount of funds to the Company to address the most pressing financial requirements of the Company, including the payment of employee salaries.

Save as disclosed in this Offer Document, and subject to the review described in the preceding paragraph the Offeror presently has no intention to (a) introduce any major changes to the business of the Company; (b) redeploy the fixed assets of the Company; or (c) discontinue the employment of the employees of the Company, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options or opportunities in relation to the Company which may present themselves. Following the close of the Offer, the Offeror will undertake a comprehensive review of the businesses of the Company and the review will help the Offeror to determine the optimal business strategy for the Company."

LETTER TO SHAREHOLDERS

Shareholders are advised to read section 7.2 of the Offer Document carefully and note the Offeror's intentions for the Company.

7. ADVICE AND RECOMMENDATIONS IN RESPECT OF THE OFFER

7.1 Appointment of the IFA

ZICO Capital Pte. Ltd. has been appointed as the independent financial adviser to advise the Directors in respect of the Offer. Shareholders should read and consider carefully the advice and recommendations of the IFA to the Directors and the recommendations of the Directors in their entirety before deciding whether or not to accept the Offer. The advice and recommendations of the IFA to the Directors is set out in the IFA Letter, which is set out in **Appendix I** to this Circular.

7.2 Advice of the IFA to the Directors on the Offer

The following is an extract from section 11 of the IFA Letter and should be read in conjunction with, and interpreted in, the full context of the IFA Letter. All terms and expression used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated. Shareholders should read and consider carefully the key considerations relied upon by the IFA, in arriving at its advice and recommendations to the Directors.

"11. OUR RECOMMENDATIONS

In arriving at our recommendations in respect of the Offer, we have taken into consideration, inter alia, the following factors summarised below. The factors set out herein should be considered in the context of the entirety of this IFA Letter and the Circular:—

- (a) market quotation and trading liquidity of the Shares;*
- (b) financial performance and financial position of the Group;*
- (c) asset-based valuation of the Group;*
- (d) comparison with the valuation statistics of selected listed companies which are broadly comparable to the Group;*
- (e) comparison with precedent take-over transactions on the SGX-ST;*
- (f) dividend record of the Group; and*
- (g) other relevant considerations.*

LETTER TO SHAREHOLDERS

We set out below a summary of the factors we have taken into our consideration:–

- (a) As at 14 February 2017, being the last traded day prior to the Offer Announcement Date, the Shares has traded at or close to the Offer Price. The Offeror and/its concert parties have been purchasing Shares from the market at the Offer Price during the period after the Offer Announcement Date and up to the Latest Practicable Date. Since the Offer Announcement Date and up to the Latest Practicable Date, the Shares have traded at levels close to the Offer Price or at the Offer Price. It appears that the on-market purchases of Shares by the Offeror and/or its concert parties at the Offer Price after the Offer Announcement Date, and the Offer may be supporting the current market price of the Shares and there is no assurance that the market price of the Shares will be maintained at the prevailing level after the close of the Offer;*
- (b) The Offer Price represents a premium of 37.7%, 32.5%, 20.5% and 14.0% to the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date respectively;*
- (c) The average daily traded volume of the Shares for the 12-month period prior to the Offer Announcement Date and for the period after the Offer Announcement Date and up to the Latest Practicable Date represented between 0.92% and 12.81% of the Company's free float. Had the Shares purchased by the Offeror and/or its concert parties from the market been excluded, the average daily traded volume as a percentage of free float for the period after the Offer Announcement Date and up to the Latest Practicable Date was 1.90%;*
- (d) The Offer Price represents a discount of 21.6% and 7.0% to the NAV per Share and NTA per Share as at 30 September 2016, respectively;*
- (e) The Offer Price represents a discount of 8.9% to the RNAV per Share and a premium of 11.5% to the RNTA per Share as at 30 September 2016;*
- (f) The Group recorded a loss attributable to equity holders of the Company for the trailing 12-month period as at 30 September 2016, after excluding one-off items which amounted to S\$15.9 million in aggregate. Accordingly, no meaningful comparison of PER could be made with the Healthcare Comparable Companies and the Property-Related Comparable Companies;*
- (g) Approximately 77.3% of the Group's total assets as at 30 September 2016 comprised investment properties and investment properties under development, and rental income constituted approximately 36.5%, 44.5%, 40.9% and 46.2% of the Group's revenue for FY2013, FY2014, FY2015 and 9MFY2016 respectively. Accordingly, Shareholders may wish to allocate greater weight to the comparison with valuation statistics of Property-Related Comparable Companies over those of Healthcare Comparable Companies;*
- (h) The P/NAV ratio of the Company, as implied by the Offer Price, is within the range of the P/NAV ratios of the Healthcare Comparable Companies, but is lower than the mean and median P/NAV ratios;*

LETTER TO SHAREHOLDERS

- (i) The P/RNAV ratio of the Company, as implied by the Offer Price, is within the range of the P/NAV ratios of the Healthcare Comparable Companies, but is lower than the mean and median P/NAV ratios;*
- (j) The P/NTA ratio of the Company, as implied by the Offer Price, is lower than the range of the P/NTA ratios of the Healthcare Comparable Companies;*
- (k) The P/RNTA ratio of the Company, as implied by the Offer Price, is lower than the range of the P/NTA ratios of the Healthcare Comparable Companies;*
- (l) The EV/EBITDA ratio of the Company, as implied by the Offer Price, is within the range of the EV/EBITDA ratios of the Healthcare Comparable Companies, and is higher than the mean and median EV/EBITDA ratios;*
- (m) The Net Gearing ratio of the Company is higher than that of two of the Healthcare Comparable Companies which had a Net Gearing ratio of 0.1 time and 0.3 time respectively. The remaining Healthcare Comparable Companies had a net cash position;*
- (n) The P/NAV ratio of the Company, as implied by the Offer Price, is within the range of the P/NAV ratios of the Property-Related Comparable Companies. It is higher than the median P/NAV ratio but lower than the mean P/NAV ratio of the Property-Related Comparable Companies;*
- (o) The P/RNAV ratio of the Company, as implied by the Offer Price, is within the range of the P/NAV ratios of the Property-Related Comparable Companies, and higher than the median P/NAV ratio and equal to the mean P/NAV ratio;*
- (p) The P/NTA ratio of the Company, as implied by the Offer Price, is within the range of the P/NTA ratios of the Property-Related Comparable Companies. It is higher than the median P/NTA ratio and equal to the mean P/NTA ratio of the Property-Related Comparable Companies;*
- (q) The P/RNTA ratio of the Company, as implied by the Offer Price, is within the range of the P/NTA ratios of the Property-Related Comparable Companies, and higher than the mean and median P/NTA ratios;*
- (r) The EV/EBITDA ratio of the Company, as implied by the Offer Price, is higher than the range of the EV/EBITDA ratios of the Property-Related Comparable Companies;*
- (s) The Net Gearing ratio of the Company is within the range of Net Gearing ratios of the Property-Related Comparable Companies, and higher than the median and mean Net Gearing ratios;*

LETTER TO SHAREHOLDERS

- (t) *The premia implied by the Offer Price against the 3-month VWAP, 1-month VWAP and the last transacted price of the Shares prior to the Offer Announcement Date are within the range of the corresponding premia of the Selected Comparable Transactions, but are lower than the mean and median premia. The premia implied by the Offer Price against the 6-month VWAP prior to the Offer Announcement Date is within the range of the corresponding premia of the Selected Comparable Transactions, and higher than the median, but lower than the mean premia;*
- (u) *The P/NTA ratio of the Company, as implied by the Offer Price, is within the range of the P/NTA ratios of the Selected Comparable Transactions but lower than the mean and median P/NTA ratios;*
- (v) *The P/RNTA ratio of the Company, as implied by the Offer Price, is within the range of the P/NTA ratios of the Selected Comparable Transactions but lower than the mean and median P/NTA ratios;*
- (w) *The Company has not declared any dividends since its listing on 8 July 2013. We understand from the Company that it does not have a fixed dividend policy. There can be no assurance that the Company will pay dividends in the future or of the amount or timing of any dividends that may be paid in the future; and*
- (x) *Other relevant considerations as set out in section 10 of this IFA Letter.*

Based on our analysis, and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that the financial terms of the Offer are, on balance, fair and reasonable.

Accordingly, we advise the Independent Directors to recommend Shareholders to ACCEPT the Offer or sell their Shares in the open market if they can obtain a price higher than the Offer Price after deducting all related expenses. The Offer Price offers Shareholders an exit opportunity and there is no certainty that Shareholders will otherwise be able to obtain a better value for their Shares if the Offer lapses."

7.3 Recommendations of the Directors

The Directors, having considered carefully the terms of the Offer and the advice and recommendations given by the IFA to the Directors as set out in the IFA Letter, CONCUR with the advice and recommendations of the IFA in respect of the Offer. The advice and recommendations of the IFA is set out in section 7.2 of this Circular.

Accordingly, the Directors recommend the Shareholders to ACCEPT the Offer or to sell their Shares in the open market if they can obtain a price higher than the Offer Price (after deducting transaction costs).

In making their recommendations, the IFA and the Directors have not taken into consideration any specific investment objectives, financial situation, risk profiles, tax position, or particular needs and constraints of any individual Shareholder. As each individual Shareholder would have different investment objectives and profiles, the Directors, as advised by the IFA, recommend that any individual Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

LETTER TO SHAREHOLDERS

Shareholders are advised to read the terms and conditions of the Offer Document carefully. Shareholders are also advised to read the IFA Letter set out in Appendix I to this Circular carefully and in its entirety before deciding whether or not to accept the Offer. Shareholders are advised that the advice and recommendations of the IFA and the Directors should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

8. OVERSEAS SHAREHOLDERS

8.1 Availability of the Offer to Overseas Shareholders

Overseas Shareholders should refer to section 10 of the Offer Document, which is extracted and reproduced in italics below.

“10 OVERSEAS SHAREHOLDERS

10.1 Overseas Shareholders

*The availability and making of the Offer to Overseas Shareholders (whose addresses are outside Singapore) as well as the ability of Overseas Shareholders to accept the Offer may be affected by the laws of the relevant overseas jurisdictions. It is currently not intended that the Offer will be made in, and the Offer is not capable of acceptance in or from any jurisdiction in or from which the making of the Offer is prohibited or affected by the laws of that jurisdiction. Accordingly, Overseas Shareholders should inform themselves of, and observe any applicable legal requirements. **Where there are potential restrictions on sending this Offer Document, the FAA and/or the FAT to any overseas jurisdiction, the Offeror and the Joint Financial Advisers each reserves the right not to send these documents to Shareholders in such overseas jurisdictions.***

This Offer Document, the FAAs and the FATs have not been and will not be sent to any Overseas Shareholders due to potential restrictions on sending such documents to the relevant overseas jurisdictions. For the avoidance of doubt, the Offer is made to all Shareholders, including those to whom this Offer Document, the FAAs and the FATs have not been, or may not be, sent. Overseas Shareholders may, nonetheless, obtain copies of this Offer Document, the FAA, the FAT and any related documents, during normal business hours and up to 5.30 p.m. on the Closing Date, from the Offeror through the Share Registrar at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623, if he is not a Depositor, or the CDP, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, if he is a Depositor. Alternatively, an Overseas Shareholder may write to the Share Registrar at the above address (if he is not a Depositor) or the CDP at Robinson Road Post Office P.O. Box 1984, Singapore 903934 (if he is a Depositor) to request for this Offer Document, the FAA, the FAT and any related documents to be sent to an address in Singapore by ordinary post, up to five (5) Market Days prior to the Closing Date, at his own risk.

LETTER TO SHAREHOLDERS

10.2 Overseas Jurisdictions

It is the responsibility of Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdictions. Such Overseas Shareholders shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, its related corporations, the Joint Financial Advisers, CDP and any persons acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments as the Offeror, its related corporations, the Joint Financial Advisers, CDP and any persons acting on their behalf may be required to pay. Any Overseas Shareholder who is in doubt about his position should consult his professional advisor in the relevant jurisdiction. In accepting the Offer, each Overseas Shareholder represents and warrants to the Offeror and the Joint Financial Advisers that he is in full observance of the laws of the relevant jurisdiction in that connection and that he is in full compliance with all necessary formalities or legal requirements.

It is the responsibility of Overseas Shareholders who wish to request for this Offer Document, the FAAs, the FATs and any related documents to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. In requesting for this Offer Document, the FAAs, the FATs and any related documents, each of the Overseas Shareholders represents and warrants to the Offeror and the Joint Financial Advisers that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements.

This Offer Document does not constitute an offer to sell or a solicitation of an offer to subscribe for or buy any securities, nor is it a solicitation of any vote or approval, in any jurisdiction in which such offer or solicitation is, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document in any jurisdiction in contravention of applicable laws. The Offer will be made solely on the basis of this Offer Document, FAAs and FATs, which will contain the full terms and conditions of the Offer, including details on how the Offer may be accepted.

The release, publication or distribution of this Offer Document in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Offer Document is released, published or distributed should inform themselves about, and observe such restrictions.

LETTER TO SHAREHOLDERS

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction ("Restricted Jurisdiction") and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

Copies of this Offer Document, the FAA and the FAT and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction, and the Offer will not be made to, nor will the Offer be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction. Persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. For the avoidance of doubt, the Offer shall be made to all Shareholders holding Offer Shares, including those to whom this Offer Document and the FAAs and/or the FATs will not be sent.

10.3 Notice

The Offeror and the Joint Financial Advisers each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST and if necessary, by paid advertisement in a daily newspaper published or circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement."

8.2 Copies of Circular

This Circular and any related documents may not be sent to certain Overseas Shareholders due to the potential restrictions on sending such documents to overseas jurisdictions. Any affected Overseas Shareholder may, nonetheless, obtain copies of this Circular during normal business hours and up to the Closing Date, from the registered office of the Company at 2 Leng Kee Road #02-07 Thye Hong Centre Singapore 159086. Alternatively, any Overseas Shareholder may write to the Company at the aforementioned address to request for this Circular and any related documents to be sent to an address in Singapore by ordinary post at his own risk (the last date for despatch in respect of such request shall be a date falling three (3) Market Days prior to the Closing Date).

In requesting for this Circular and any related documents, each of the Overseas Shareholders represents and warrants to the Company that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements.

LETTER TO SHAREHOLDERS

9. ACTION TO BE TAKEN BY SHAREHOLDERS

9.1 Shareholders who wish to accept the Offer

Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. (Singapore time) on 30 March 2017, and should take note of the procedures for acceptance of the Offer as set out in Appendix B to the Offer Document, the FAA and/or the FAT.

9.2 Shareholders who do not wish to accept the Offer

Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document and the FAA and/or the FAT which have been sent to them.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Circular) collectively and individually accept full responsibility for the accuracy of the information given in this Circular (other than (a) the IFA Letter, (b) the Valuation Certificates, (c) information extracted from the Offer Document and (d) information relating to OUE and the Offeror) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Group in the context of the Offer and the Directors are not aware of any material facts the omission of which would make any statement in this Circular misleading in any material respect.

In respect of the IFA Letter and the Valuation Certificates, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are fair and accurate.

Where information in this Circular 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 Circular in its proper form and context.

11. ADDITIONAL GENERAL INFORMATION

Additional general information is provided in **Appendix II** to this Circular.

Yours faithfully

For and on behalf of the Board of Directors of

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

Tay Eng Kiat, Jackson
Independent Director

APPENDIX I – IFA LETTER

16 March 2017

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

2 Leng Kee Road
#02-07 Thye Hong Centre
Singapore 159086

Attention: The Independent Directors

MANDATORY UNCONDITIONAL CASH OFFER (THE “OFFER”) BY STANDARD CHARTERED BANK AND CREDIT SUISSE (SINGAPORE) LIMITED (TOGETHER, THE “JOINT FINANCIAL ADVISERS”), FOR AND ON BEHALF OF TREASURE INTERNATIONAL HOLDINGS PTE. LTD. (THE “OFFEROR”) TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF INTERNATIONAL HEALTHWAY CORPORATION LIMITED (THE “COMPANY”) OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH THE OFFEROR IN RELATION TO THE OFFER

*Unless otherwise defined or the context otherwise requires, all terms used in this letter (“**IFA Letter**”) shall have the same meanings as defined in the circular to shareholders of the Company dated 16 March 2017 (the “**Circular**”).*

1. INTRODUCTION

The Offeror had, on 16 February 2017, entered into a sale and purchase agreement (the “**Share Purchase Agreement**”) with Ching Chiat Kwong, Low See Ching, Low Bee Lan Audrey and Tee Wee Sien (collectively, the “**Vendors**”) for the purchase of an aggregate of 593,470,029 ordinary shares in the capital of the Company (the “**Shares**”), representing approximately 35.77% of all the issued Shares, from the Vendors at S\$0.106 per Share (the “**Acquisition**”).

Prior to the entering of the Share Purchase Agreement, the Offeror, OUE Limited (“**OUE**”) and OUE’s wholly-owned subsidiaries together held an aggregate of 362,204,008 Shares, representing approximately 21.83% of all the issued Shares.

On 16 February 2017 (the “**Offer Announcement Date**”), the Joint Financial Advisers announced, for and on behalf of the Offeror (the “**Offer Announcement**”), that the Offeror intends to make the Offer to acquire all the issued and paid-up Shares other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror.

On 20 February 2017, OUE announced that the Acquisition was completed. As a result, the Offeror, together with parties acting in concert with it, held an increased aggregate of 955,674,037 Shares, representing approximately 57.60% of all the issued Shares. The Offeror is thus obliged to make a mandatory unconditional cash offer to acquire the Offer Shares (as defined herein this IFA Letter) in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”).

On 2 March 2017, the Joint Financial Advisers announced, for and on behalf of the Offeror, that the offer document (the “**Offer Document**”) setting out, *inter alia*, the terms and conditions of the Offer has been despatched to the shareholders of the Company (the “**Shareholders**”).

APPENDIX I – IFA LETTER

ZICO Capital Pte. Ltd. (“**ZICO Capital**”) has been appointed by the Company as the independent financial adviser (the “**IFA**”) to advise the directors of the Company who are considered independent in respect of the Offer (the “**Independent Directors**”), for the purposes of making their recommendation to the Shareholders in respect of the Offer. This IFA letter is addressed to such Independent Directors, and sets out, *inter alia*, our evaluation and advice on the financial terms of the Offer, and our recommendation thereon (the “**IFA Letter**”). This IFA Letter forms part of the Circular to be despatched to the Shareholders in relation to the Offer.

2. TERMS OF REFERENCE

ZICO Capital has been appointed as the IFA to advise the Independent Directors in respect of their recommendation to the Shareholders in relation to the Offer.

We have confined our evaluation to the financial terms of the Offer.

Our terms of reference do not require us to evaluate or comment on the rationale, legal and commercial risks and/or merits (if any) of the Offer or on the future financial performance or prospects of the Company and its subsidiaries (collectively, the “**Group**”) and we have not made such evaluations or comments. Such evaluations or comments shall remain the sole responsibility of the directors (the “**Directors**”) and the management (the “**Management**”) of the Company although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our recommendations as set out in this IFA Letter.

We are not and were not involved in any aspect of the negotiations pertaining to the Offer or any other offers. We were also not requested, instructed or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to any other proposals for transactions similar to or in lieu of the Offer. In this regard, we are not addressing the relative merits of the Offer as compared to any alternative transaction previously considered by the Company or which otherwise may have been available to the Company currently or in the future. Such comparison and consideration remain the responsibility of the Directors.

In the course of our evaluation of the financial terms of the Offer, we have held discussions with the Directors and the Management. We have also examined publicly available information collated by us as well as information, both written and verbal, provided to us by aforesaid parties. We have relied on, and assumed without independent verification, the accuracy and completeness of such information, whether written or verbal, and accordingly cannot and do not make any warranty or representation, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information. In particular, we wish to highlight that the Company’s previous auditors, PricewaterhouseCoopers LLP (“**PwC**”), had issued a Disclaimer of Opinion in respect of the Group’s financial statements for the financial year ended 31 December 2015 (“**FY2015**”). Nevertheless, we noted the responses by the then board of directors of the Company (“**Previous Board**”) to PwC’s bases for the Disclaimer of Opinion (“**Responses to Disclaimer of Opinion**”), as set out in the annual report of the Company for FY2015 under “Letter to Shareholders”. We have relied on the Group’s financial statements for FY2015 as they stand, on the basis of the Responses to Disclaimer of Opinion as well as the confirmation of the current board of Directors of the Company (“**Current Board**”) that it is in agreement with the Responses to Disclaimer of Opinion, based on the best of its knowledge and belief as at the Latest Practicable Date. We have thereon gone on to rely

APPENDIX I – IFA LETTER

on the Group's unaudited financial statements for the nine months ended 30 September 2016. In addition, as at the Latest Practicable Date, we note that no further financial statements for the financial year ended 31 December 2016 of the Group have been announced by the Company.

We have not independently examined and verified the bases for the Responses to Disclaimer of Opinion or the aforementioned confirmation of the Current Board (which are outside the scope of our Terms of Reference), and accordingly, we do not express any views on the reasonableness or adequacy of the Responses to Disclaimer of Opinion or the aforementioned confirmation of the Current Board.

We have relied upon the assurances from the Directors and the Management (including those who may have delegated supervision of the Circular), who have accepted full responsibility for the accuracy and completeness of the information provided to us, that, to the best of their knowledge and belief, they have taken reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Circular is fair and accurate in all material aspects. The Directors have confirmed to us that, to the best of their knowledge and belief, there is no other information or fact, the omission of which would cause any statement in the Circular in respect of the Offer to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information but nevertheless have made such enquiry and judgement as we have deemed necessary and have found no reason to doubt the accuracy or reliability of the information which we have relied upon.

For the purposes of assessing the financial terms of the Offer and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of the Company or the Group. We will not be required to express, and we do not express, any view on the growth prospects and earnings potential of the Company or the Group in connection with our opinion in this IFA Letter.

We have not made any independent valuation or appraisal of assets and liabilities (including without limitation, investment properties, investment properties under development, property, plant and equipment) of the Group.

In connection with the Offer, the Company had commissioned independent valuers, namely Colliers International, Savills Real Estate Valuation (Guangzhou) Ltd. Shanghai Branch and Raine & Horne International Zaki + Partners Sdn. Bhd. (collectively, the “**Independent Valuers**”) to carry out revaluation of various investment properties owned by the Group as at 30 September 2016. The respective valuation certificates from the Independent Valuers (“**Valuation Certificates**”) are set out in Appendix VI to the Circular. We have placed sole reliance thereon for the valuation and information contained in the Valuation Certificates. We are not involved in the preparation of, and assume no responsibility for, the Valuation Certificates. We have not made any independent verification of the contents thereof. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information.

Our recommendations are based upon market, economic, industry and other conditions prevailing, as well as information made available to us, as at 9 March 2017 (the “**Latest Practicable Date**”). Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our

APPENDIX I – IFA LETTER

recommendations in light of any subsequent developments after the Latest Practicable Date that may affect our recommendations contained therein. Shareholders should further take note of any announcements relevant to their consideration of the Offer, which may be released after the Latest Practicable Date. Our opinion is limited to the fairness and reasonableness, from a financial point of view, of the Offer. We express no opinion as to the fairness and reasonableness of the Offer to, or any consideration received in connection therewith by, the holders of any class of securities, creditors or other constituencies of the Company or as to the underlying decision by the Offeror to engage in the Offer.

In rendering our advice and providing our recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder. We recommend that any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately.

The Company has been advised by its own legal advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter) and our responsibility is as set out above in relation to this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether expressed or implied, on the contents of the Circular (except for this IFA Letter).

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Offer, but any recommendations made by the Independent Directors in respect of the Offer shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any purposes (other than for the consideration of the Offer) at any time and in any manner without the prior written consent of ZICO Capital.

3. THE OFFER

The Offer is made in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and Rule 14 of the Code and on terms and subject to conditions set out in the Offer Document. The principal terms of the Offer, as extracted from section 2 of the Offer Document, are set out below. **Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.**

A copy of the Offer Document is available on the website of the SGX-ST at www.sgx.com.

3.1 Offer Shares

The Offer will be extended, on the same terms and conditions, to all the issued Shares, other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert or deemed to be acting in concert with it (the “**Offer Shares**”).

3.2 Offer Price

The consideration for each Offer Share is S\$0.106 in cash (the “**Offer Price**”).

APPENDIX I – IFA LETTER

The Offer Price is the same as the purchase price for each Share acquired by the Offeror from the Vendors under the Share Purchase Agreement.

3.3 Conditionality of the Offer

As at 23 February 2017, being the latest practicable date prior to the printing of the Offer Document ("**Offer Document LPD**"), the Offeror and parties acting in concert with it together hold an aggregate of 980,920,363 Shares, representing approximately 59.12% of all the issued Shares. As such, the Offer is unconditional in all respects.

The Offer is therefore not conditional upon the level of acceptances which the Offeror may receive in respect of the Offer.

3.4 No Encumbrances

The Offer Shares will be acquired:–

- (i) fully paid-up;
- (ii) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever; and
- (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by the Company) on or after the Offer Announcement Date.

If any dividend, right or other distribution or return of capital is announced, declared, paid or made by the Company on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such dividend, right, other distribution or return of capital.

3.5 Other Details of the Offer

Please refer to Appendix A to the Offer Document for details of the Offer, such as (i) the duration of the Offer; (ii) the settlement of the consideration for the Offer; (iii) the requirements relating to the announcements of the Offer; and (iv) the right of withdrawal of acceptances of the Offer.

3.6 Procedures for Acceptance

Please refer to Appendix B to the Offer Document for details on the procedures for acceptance of the Offer by a Shareholder.

3.7 Aggregate shareholdings of the Offeror

As at 5.00 p.m. on 7 March 2017, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and parties acting or presumed to be acting in concert with it; and (b) valid acceptances of the Offer, amount to an aggregate of 1,069,454,633 Shares, representing approximately 64.46% of all the issued Shares.

APPENDIX I – IFA LETTER

4. WARRANTY

Acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder(s) that the Offer Shares tendered in acceptance of the Offer are sold by the accepting Shareholder(s), as or on behalf of the beneficial owner(s) thereof:–

- (a) fully paid-up;
- (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever; and
- (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by the Company) on or after the Offer Announcement Date.

If any dividend, right or other distribution or return of capital is announced, declared, paid or made by the Company on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such dividend, right, other distribution or return of capital.

5. INFORMATION ON THE OFFEROR AND OUE

5.1 The Offeror

The Offeror is a private limited company incorporated in Singapore, and is a direct wholly-owned subsidiary of OUE. The principal activity of the Offeror consists of investment holding. As at the Offer Document LPD, the Offeror has an issued and paid-up share capital of S\$1.00 comprising 1 issued ordinary share, and the sole director of the Offeror is Mr Thio Gim Hock, the Chief Executive Officer and Group Managing Director of OUE.

Please refer to Appendix C to the Offer Document for additional information on the Offeror.

5.2 OUE

OUE is listed on the Main Board of the SGX-ST. The OUE Group is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations across Asia and the United States. The OUE Group grows its business by leveraging its brand and proven expertise in developing and managing landmark assets across the commercial, hospitality, retail and residential property segments. Some of its assets include OUE Downtown, OUE Bayfront, One Raffles Place, Mandarin Orchard Singapore and the US Bank Tower in Los Angeles, USA.

With its core strategy of investing in and enhancing a stable of distinctive properties, OUE is committed to developing a portfolio that has a strong recurrent income base, balanced with development profits. Accordingly, the OUE Group will continue assessing potential investment opportunities in real estate which are aligned with its growth strategy and business focus. In 2013, the OUE Group diversified into the fund management business. OUE is the sponsor of two listed real estate investment trusts in Singapore, namely OUE Hospitality Trust and OUE Commercial Real Estate Investment Trust.

APPENDIX I – IFA LETTER

As at the Offer Document LPD, OUE has an issued and paid-up share capital of S\$698,885,206 comprising 901,815,860 issued ordinary shares and 79,786,000 treasury shares.

Please refer to Appendix D to the Offer Document for additional information on OUE. Further information on OUE can be found at its corporate website at <http://www.oue.com.sg>.

6. INFORMATION ON THE COMPANY

The Company was incorporated in Singapore and its Shares are listed on the Catalist Board of the SGX-ST.

The Company is principally engaged in investment holding. The principal activities of its subsidiaries consist of two business segments, one segment being the provision of healthcare services through the management and operation of hospitals, trading and supplying of pharmaceutical supplies and drugs, and the rental of healthcare-related facilities, and the other segment being the development of medical real estate (such as hospital facilities), healthcare-related assets (such as nursing homes) and integrated mixed-use developments with medical real estate or healthcare-related assets, retail space, office and/or service residences.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$192,706,969 comprising 1,659,064,603 Shares. As at the Latest Practicable Date, the Company does not hold any treasury Shares.

Please refer to Appendix II to the Circular for additional information on the Company. Further information on the Company can be found at its corporate website at <http://www.ihc.sg>.

7. RATIONALE FOR THE OFFER

The full text of the rationale for the Offer as set out in section 6 of the Offer Document has been extracted from the Offer Document and reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

“6.1 Compliance with the Code

The Offer is made by the Offeror to comply with Rule 14.1 of the Code because following completion of the Acquisition, the Offeror and parties acting in concert with it will have acquired Shares which represent in excess of 30% of the voting rights of the Company.

6.2 Stronger Shareholder Base

Through the Acquisition, the Offeror has increased its shareholding in the Company and thus provides the Company with a stronger shareholder base to support the Company’s strategy and growth plans over the medium to long term. With the Offer, minority shareholders of the Company will have the flexibility to tender all, part or none

APPENDIX I – IFA LETTER

of their Shares in acceptance of the Offer, and have the choice to decide between monetisation and continued participation in the Company's potential growth over the long term."

8. INTENTIONS OF THE OFFEROR

The full text of the intentions of the Offeror as set out in section 7 of the Offer Document has been extracted from the Offer Document and reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

"7.1 Listing Status and Compulsory Acquisition

*Pursuant to Rule 1104 of the Catalist Rules, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of issued Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued Shares (excluding any Shares held in treasury) are held by at least 200 shareholders who are members of the public (the **"Free Float Requirement"**). Rule 1303(1) of the Catalist Rules provides that if the Offeror succeeds in receiving acceptances exceeding 90% of the total number of issued Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.*

Under Rule 724(1) of the Catalist Rules, if the percentage of the Shares held in public hands falls below 10%, the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares held in public hands to at least 10%, failing which the Company may be delisted.

The Offeror's present intention is to maintain the listing status of the Company. However, in the event the Free Float Requirement is not satisfied at the close of the Offer, the Offeror will assess the options available to the Offeror and the Company at that time. Accordingly, the Offeror may decide not to take steps to preserve the listing status of the Company on the SGX-ST if the Free Float Requirement is not satisfied.

Pursuant to Section 215(1) of the Act, in the event that the Offeror acquires not less than 90% of the total number of issued Shares as at the close of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares from shareholders of the Company who have not accepted the Offer at a price equal to the Offer Price.

APPENDIX I – IFA LETTER

In addition, pursuant to Section 215(3) of the Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares as at the close of the Offer, the shareholders of the Company who have not accepted the Offer have a right to require the Offeror to acquire their Shares at the Offer Price. Such shareholders of the Company who wish to exercise such a right are advised to seek their own independent legal advice.

As stated above, the Offeror's present intention is to maintain the listing status of the Company. However, if the Offeror receives acceptances pursuant to the Offer in respect of not less than 90% of the total number of Offer Shares in issue as at the close of the Offer (other than those already held by the Offeror, its related companies and their respective nominees as at the Despatch Date), the Offeror will consider whether or not to exercise its rights of compulsory acquisition under Section 215(1) of the Act to acquire those Offer Shares not acquired by the Offeror pursuant to the Offer.

7.2 The Offeror's Intentions Relating to the Company

As stated above, the Offeror's present intention is to maintain the listing status of the Company. In view of the Company's liquidity requirements and in line with the Company's announcement dated 21 February 2017 in relation to the comfort letter from OUE, OUE and the Offeror intend to review the business and financial situation of the Company and its subsidiaries, and to also engage with the creditors and stakeholders of the Company and its subsidiaries with a view to understanding, addressing and, if necessary, restructuring the financing of the Company and its subsidiaries. It is the Offeror's long-term intention, subject to such review, to work towards stabilising the Company's business and financial position. In this regard, the Offeror has advanced a certain amount of funds to the Company to address the most pressing financial requirements of the Company, including the payment of employee salaries.

Save as disclosed in this Offer Document, and subject to the review described in the preceding paragraph the Offeror presently has no intention to (a) introduce any major changes to the business of the Company; (b) redeploy the fixed assets of the Company; or (c) discontinue the employment of the employees of the Company, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options or opportunities in relation to the Company which may present themselves. Following the close of the Offer, the Offeror will undertake a comprehensive review of the businesses of the Company and the review will help the Offeror to determine the optimal business strategy for the Company."

APPENDIX I – IFA LETTER

9. ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

In assessing the financial terms of the Offer, we have taken into account the following factors which we consider to have a significant bearing on our assessment:–

- (a) market quotation and trading liquidity of the Shares;
- (b) financial performance and financial position of the Group;
- (c) asset-based valuation of the Group;
- (d) comparison with the valuation statistics of selected listed companies which are broadly comparable to the Group;
- (e) comparison with precedent take-over transactions on the SGX-ST;
- (f) dividend record of the Group; and
- (g) other relevant considerations.

9.1 Market quotation and trading liquidity of the Shares

Share performance and trading liquidity

We set out below a chart showing the Offer Price relative to the daily closing prices and the trading volume of the Shares for the period commencing 12 months prior to the Offer Announcement Date and ended on the Latest Practicable Date.



Source: Bloomberg L.P.

APPENDIX I – IFA LETTER

A summary of the salient announcements made by the Company during the aforesaid period is set out below:–

Date	Event
23 Feb 2016	The Company announced the progress update in relation to its proposed acquisition of the entire issued and paid-up ordinary shares in the capital of Healthway Medical Corporation Limited by way of a scheme of arrangement (the “ Scheme of Arrangement ”) in accordance with Section 210 of the Companies Act, Chapter 50 of Singapore (the “ Companies Act ”) and the Code (the “ Proposed HMC Acquisition ”).
26 Feb 2016	The Company announced the postponement of the meetings (originally scheduled to be held on 3 March 2016) of the holders of notes issued under the S\$500,000,000 multicurrency medium term note programme of the Company, to a later date.
29 Feb 2016	The Company announced its unaudited consolidated financial statements for FY2015. The Company reported Group revenue of S\$45.0 million and profit after tax for the year of S\$7.2 million.
17 Mar 2016	SGX-ST queried the Company regarding unusual price movements in the Company’s Shares. The Company announced its response to the queries from SGX-ST regarding unusual price movements in the Company’s Shares.
22 Mar 2016	The Company announced that, as an internal restructuring exercise, it has acquired one ordinary share, representing the entire issued and paid-up share capital of IHC Senior Housing (HK) Limited (an indirect wholly-owned subsidiary of the Company) from IHC Star Limited (another indirect wholly-owned subsidiary of the Company) for a cash consideration of HK\$1.00. Pursuant thereto, IHC Senior Housing (HK) Limited has become a direct wholly-owned subsidiary of the Company.
12 Apr 2016	The Company announced that it has further subscribed for 45,734,138 new ordinary shares in the capital of IHC Japan Medical Facilities Pte. Ltd. (“ IJMF ”) (a wholly-owned subsidiary of the Company) for an aggregate consideration of S\$45,734,138, which will be satisfied by the capitalisation of the loan amount of S\$45,734,138 owing by IJMF to the Company. Following the aforesaid subscription, the Company holds 45,734,139 ordinary shares of IJMF, representing 100% of the total and issued paid-up capital of S\$45,734,139 of IJMF.
15 Apr 2016	The Company announced that an application has been made to the SGX-ST for an extension of time for the Company to (i) hold its annual general meeting for FY2015 (“ FY2015 AGM ”); and (ii) release its unaudited financial statements for the first quarter ended 31 March 2016 (“ 1Q2016 Results ”).

APPENDIX I – IFA LETTER

Date	Event
27 Apr 2016	The Company announced the appointment of Mr Lim Thien Su Gerald as its non-independent non-executive director and Mr Chia Chee Hyong Leonard as its independent director, with effect from 27 April 2016.
2 May 2016	The Company announced the completion of the refinancing of the TMK Bonds ¹ issued by IHC Japan First TMK, an indirect wholly-owned subsidiary of the Company.
3 May 2016	The Company announced that Enterprise Fund III Ltd, Value Monetization III Ltd and VMF3 Ltd (collectively, the “Funds”) have appointed receivers (“Receivers”) over the entire issued share capital of its wholly-owned investment holding subsidiaries, namely (i) IHC Medical RE Pte Ltd (“IHC Medical”); (ii) IHC Management Pte Ltd (“IHC Management”); and (iii) IHC Management (Australia) Pty Ltd (collectively referred to as “Affected Subsidiaries”). The Company and IHC Medical have applied to the Supreme Court of Singapore (the “Court”) to rescind and/or suspend the appointment of the Receivers and/or to enjoin the Receivers from selling, transferring and/or disposing any of the shares in the share capital of the Affected Subsidiaries (the “Application”). The Company announced the grant of extension of time by SGX-ST for the Company to (i) hold its FY2015 AGM by 31 May 2016 (from the deadline of 30 April 2016); and (ii) release its 1Q2016 Results on or before 26 June 2016 (from the deadline of 15 May 2016).
6 May 2016	The Company announced status update on the appointment of Receivers over the Affected Subsidiaries. In the course of hearings held on 3 May 2016 and 4 May 2016, the Court directed that the Application shall be heard and determined on an inter partes basis on a date to be scheduled in due course.
16 May 2016	The Company announced that an application has been made to the SGX-ST for a further extension of time for the Company to (i) hold its FY2015 AGM; and (ii) release its 1Q2016 Results, as well as an extension of time for the Company to release its unaudited financial statements for the second quarter ended 30 June 2016 (“2Q2016 Results”).
31 May 2016	The Company announced the grant of further extension of time by SGX-ST for the Company to (i) hold its FY2015 AGM, from 31 May 2016 to 15 July 2016; and (ii) release its 1Q2016 Results, from 26 June 2016 to 26 July 2016, as well as the grant of an extension of time by SGX-ST for the Company to release its 2Q2016 Results, from 14 August 2016 to 28 August 2016.

¹ A TMK is a type of corporation which can be formed under Japanese law. Bonds issued by a TMK are called TMK Bonds.

APPENDIX I – IFA LETTER

Date	Event
2 Jun 2016	The Company announced that an application was made by the Company to the High Court of Singapore to wind up IHC Medical under Section 254 of the Companies Act.
6 Jun 2016	The Company announced that its auditors, PwC, have, in its finalised Auditor's report dated 3 Jun 2016, included a disclaimer of opinion in relation to the consolidated financial statements of the Company and the Group for FY2015. The Company announced material differences between the Group's unaudited financial statements released on 29 February 2016 and the finalised financial statements for FY2015.
15 Jun 2016	The Company announced that it had, on 14 June 2016, received letters of nomination of independent directors from Mr Ching Chiat Kwong and Mr Low See Ching (shareholders of the Company), pursuant to Article 97 of the Company's Constitution.
22 Jun 2016	The Company announced its response to the queries from the SGX-ST in relation to the announcement made by the Company on 6 June 2016 titled "Material Differences between the Unaudited Financial Statements and the Published Financial Statements for the Financial Year Ended 31 December 2015".
23 Jun 2016	The Company announced the cessation of Mr Chua Chee Min as its Group Financial Controller, with effect from 23 June 2016.
29 Jun 2016	The Company announced that an application was made by the Company to the High Court of Singapore to wind up IHC Management under Section 254 of the Companies Act.
30 Jun 2016	The Company announced that in view of, <i>inter alia</i> , the lapse of the implementation agreement on 30 June 2016, the Scheme of Arrangement for the Proposed HMC Acquisition shall not proceed.
4 Jul 2016	The Company clarified that, notwithstanding that the implementation agreement had lapsed due to the expiry of the conditions long-stop date on 30 June 2016, the Scheme of Arrangement contemplated under the implementation agreement had not been terminated pending clearance from Securities Industry Council. The Company announced that the Accounting and Corporate Regulatory Authority had rejected the Company's application for an extension of time under Section 201(4) of the Companies Act to hold its FY2015 AGM, and the Company would hold its FY2015 AGM on 13 July 2016.

APPENDIX I – IFA LETTER

Date	Event
8 Jul 2016	The Company announced the following status update on the appointment of Receivers over the Affected Subsidiaries:– (a) The Company and IHC Medical withdrew the Application at its hearing in light of the pending winding-up petitions filed by the Company against IHC Medical and IHC Management. (b) In the event that IHC Medical and IHC Management are placed in liquidation, the management and control of these companies will vest in the appointed liquidator(s).
13 Jul 2016	The Company announced the results of the annual general meeting and the extraordinary general meeting held on 13 July 2016. The Company announced the cessation of Mr Siew Teng Kean as its lead independent director with effect from 13 July 2016. The Company announced the retirements of Mr Lee Gee Aik and Ms Annie Yap Hui Lian as its independent directors with effect from 13 July 2016.
25 Jul 2016	The Company announced the reconstitution of its board and board committees.
26 Jul 2016	The Company announced its unaudited consolidated financial statements for the first quarter ended 31 March 2016. The Company reported Group revenue of S\$13.4 million and profit after tax for the period of S\$0.1 million.
8 Aug 2016	The Company announced the following status update on the appointment of Receivers over the Affected Subsidiaries:– (a) Subsequent to the withdrawal of the Application, the Receivers “in exercise of their powers as receivers”, attempted to remove Dr Jong Hee Sen and Ms Lim Beng Choo as directors of the Affected Subsidiaries. These removals have been resisted. (b) On 5 August 2016, the Group received an Ex Parte Summon for injunction application from the solicitors acting for the Funds and the managers of the Funds to restrain the Group. (c) Crest Capital Asia Pte Ltd, as manager of the Fund, filed affidavits to object to the liquidation of IHC Medical and IHC Management. The Company announced that there would be a delay in the payment of Medium Term Note Series 001 interest payable on 8 August 2016 due to the inadvertent delay in the processing and remittance of the funds to the respective noteholders.

APPENDIX I – IFA LETTER

Date	Event
9 Aug 2016	The Company announced the termination of the Scheme of Arrangement for the Proposed HMC Acquisition with effect from 8 August 2016.
15 Aug 2016	The Company announced status update on the appointment of Receivers over the Affected Subsidiaries. The Court made certain orders to restrain the Group and the Company was deemed to have temporarily lost control of IHC Management, IHC Management (Australia) Pty. Ltd., IHC Medical, IHC Healthcare REIT, IHC Australia First Trust and IHC Australia Second Trust.
28 Aug 2016	The Company announced its unaudited consolidated financial statements for the second quarter ended 30 June 2016. The Company reported (i) Group revenue of S\$13.6 million and loss after tax for the second quarter ended 30 June 2016 of S\$0.9 million; and (ii) Group revenue of S\$26.9 million and loss after tax for the six months ended 30 June 2016 of S\$0.8 million.
5 Sep 2016	The Company announced that it received a requisition letter dated 2 September 2016 (the “ September Requisition Letter ”) from Mr Low See Ching and Ms Low Bee Lan Audrey requesting the Company to convene an extraordinary general meeting pursuant to Section 176 of the Companies Act, to consider certain ordinary resolutions involving the proposed removal of certain directors of the Company and the appointment of certain persons to be directors of the Company (the “ September Resolutions ”).
16 Sep 2016	The Company announced (i) proposed sale of its three properties in Australia; and (ii) the following, <i>inter alia</i>, status update on the appointment of Receivers over the Affected Subsidiaries:– (a) Summary of ongoing action against a number of creditor funds and their fund managers as well as the receivers appointed by the aforementioned. (b) Appointment of receivers and managers by Westpac Banking Corporation Westpac and National Australian Bank over the three properties in Australia. (c) Applications for the appointment of provisional liquidators in respect of IHC Medical and IHC Management. The Company clarified on the news article published in The Straits Times on 10 September 2016 titled “Receivers take control of IHC’s Australia properties”.

APPENDIX I – IFA LETTER

Date	Event
23 Sep 2016	The Company announced the proposed appointment of Baker Tilly TFW LLP as new auditors of the Company for the financial year ended 31 December 2016, subject to the approval of Company's shareholders to be obtained at an extraordinary general meeting of the Company to be convened by 13 October 2016.
11 Oct 2016	The Company announced that there would be no extraordinary general meeting convened in respect of the September Resolutions considered in the September Requisition Letter.
12 Oct 2016	The Company announced the results of the extraordinary general meeting held on 12 October 2016.
21 Oct 2016	The Company announced status update on the appointment of Receivers over the Affected Subsidiaries. The Court made certain orders in relation to the application of the proceeds from the sale of the three properties in Australia.
25 Oct 2016	The Company announced the appointment of Mr Alviedo Rodolfo Jr San Miguel as its independent director with effect from 24 October 2016. The Company announced the cessation of Mr Ong Lay Khiam as its independent director with effect from 24 October 2016.
31 Oct 2016	The Company announced that it received a requisition letter dated 28 October 2016 (the “ October Requisition Letter ”) from Mr Low See Ching and Ms Low Bee Lan Audrey requesting the Company to convene an extraordinary general meeting (the “ Requisition EGM ”) pursuant to Section 176 of the Companies Act, to consider certain ordinary resolutions involving the proposed removal of certain directors of the Company and the appointment of certain persons to be directors of the Company.
8 Nov 2016	The Company announced the reconstitution of its board committees.
14 Nov 2016	The Company announced status update on the appointment of Receivers over the Affected Subsidiaries. The winding up applications commenced by the Company against IHC Medical and IHC Management were withdrawn at a hearing on 31 October 2016. The Company announced its unaudited consolidated financial statements for the third quarter ended 30 September 2016. The Company reported (i) Group revenue of S\$11.5 million and profit after tax for the third quarter ended 30 September 2016 of S\$10.1 million; and (ii) Group revenue of S\$38.4 million and profit after tax for the nine months ended 30 September 2016 of S\$9.3 million.
24 Nov 2016	The Company announced the sale of its two properties in St Kilda Road, Melbourne, Australia.

APPENDIX I – IFA LETTER

Date	Event
9 Dec 2016	The Company announced that it was re-proposing the appointment of Baker Tilly TFW LLP as new auditors of the Company for the financial year ended 31 December 2016, subject to the approval of Company's shareholders to be obtained at an extraordinary general meeting of the Company to be convened.
15 Dec 2016	The Company announced that it signed a non-binding term sheet with a major international bank for a mezzanine loan of up to JPY8 billion (approximately S\$99.2 million) with a loan period of three years to refinance the TMK Bonds ² issued by IHC Japan First TMK, an indirect wholly-owned subsidiary of the Company (the "Proposed TMK Refinancing").
21 Dec 2016	The Company clarified on the news article published by Reuters dated 19 December 2016 titled "Singapore bond market faces S\$22bn refinancing bill" and another news article published by Lianhe Zaobao on 20 December 2016 titled "今年新元债券发行总额跌18.5%".
23 Dec 2016	The Company announced the cessation of Dr. Jong Hee Sen as its non-executive non-independent director with effect from 22 December 2016.
24 Dec 2016	The Company announced (i) the cancellation of the extraordinary general meeting originally scheduled on 28 December 2016; and (ii) the calling of a new extraordinary general meeting to be held on 23 January 2017.
18 Jan 2017	The Company clarified on the open letter sent to the Company by Quarz Capital Management, Ltd. dated 13 January 2017 and the news article titled "Activist investor targets International Healthway" published by the Straits Times on 14 January 2017.
23 Jan 2017	The Company announced that its board had, on 21 January 2017, received notification from the Japanese financial institution (the "Financial Adviser") advising on and arranging for the Proposed TMK Refinancing that it came to its attention that the Requisition EGM would be held on 23 January 2017 and the result of the Requisition EGM could be "to change the entire board of directors of IHC". In the light of this, the Financial Adviser informed the Company that it was not willing to continue with its engagement with the Company if there was to be a change in the Company's board of directors in the next six weeks.

² A TMK is a type of corporation which can be formed under Japanese law. Bonds issued by a TMK are called TMK Bonds.

APPENDIX I – IFA LETTER

Date	Event
24 Jan 2017	The Company announced, <i>inter alia</i>, the results of the extraordinary general meeting held on 23 January 2017 and the appointment of an interim transition committee (the “Interim Transition Committee”) to prepare a report to its board on the Company’s financial position, business and operational status, status of legal proceedings commenced by and against the Company as well as any other issues or areas of concern. The Company announced the removals of Ms Lim Beng Choo, Mr Lim Thien Su Gerald, Mr Chia Chee Hyong Leonard and Mr Alviedo Rodolfo Jr San Miguel as its directors by shareholders of the Company via ordinary resolution at the Requisition EGM with effect from 23 January 2017. The Company announced the appointments of Mr Tay Eng Kiat Jackson, Mr Sho Kian Hin, Eric and Mr Tan Chade Phang, Roger as its independent directors with effect from 23 January 2017.
25 Jan 2017	The Company announced the acquisition of Shares by OUE, from 0% to 12.54%.
27 Jan 2017	The Company announced its request for the conversion of its trading halt to a voluntary trading suspension as the Interim Transition Committee and the Company’s board required more time to determine the current state of affairs of the Company and its subsidiaries.
8 Feb 2017	The Company updated its shareholders on, <i>inter alia</i>, the following matters:– (a) police report lodged in relation to the matter involving Ms Lim Beng Choo leaving the office premises with her computer and some documents; (b) proposed convertible loans for an aggregate amount of up to S\$55 million at an interest rate of 6% per annum from Oxley Holdings Limited, Mr Ching Chiat Kwong and Mr Low See Ching; (c) claims and/or demands received by the Company; (d) litigation and arbitration involving the Company and its subsidiaries in the People’s Republic of China (the “China”); (e) multicurrency medium term note programme; (f) report by FTI Consulting (Singapore) Pte Ltd (“FTI Consulting”) whereby FTI Consulting concluded that the Company and its subsidiaries have sufficient assets to cover its liabilities in the short term; and (g) its board’s adoption of the recommendation of FTI Consulting. The Company announced its request for resumption of trading from suspension with effect from 8 February 2017 at 9.00 a.m..

APPENDIX I – IFA LETTER

Date	Event
9 Feb 2017	The Company announced the change in shareholding interest of OUE in the Company from 12.54% to 21.83%.
16 Feb 2017	The Joint Financial Advisers announced the Offer for and on behalf of the Offeror.
18 Feb 2017	The Company announced that it was of the view that a change in shareholding event under the Medium Term Notes Series 002 of S\$50 million at 7 per cent maturing on 27 April 2017, and the Medium Term Notes Series 001 of S\$50 million at 6 per cent maturing on 6 February 2018 (collectively the “ MTNs ”) had occurred (arising from the disposal of Shares by Mr Fan Kow Hin), and noteholders were entitled at their option to redeem their MTNs in the manner provided for under the trust deed dated 23 January 2015.
20 Feb 2017	The Company announced its request for suspension in its Shares in view of the potential going concern issues arising from the redemption event in relation to the MTNs. OUE announced that it, through the Offeror, completed the Acquisition on 20 February 2017. As a result, the Offeror, together with parties acting in concert with it, held an aggregate of 955,674,037 Shares, representing approximately 57.60% of all the issued Shares. The Company announced that has received a letter on 19 February 2017 from Oxley Holdings Limited, Mr Ching Chiat Kwong and Mr Low See Ching stating their intention not to proceed with the grant of the proposed convertible loans at an interest rate of 6% per annum, and to terminate the term sheet dated 6 February 2017 with immediate effect, in view of the Offer.
21 Feb 2017	The Company announced that OUE has, on 17 February 2017, issued a comfort letter (the “Comfort Letter”) to the Company stating that it intends to review the business and financial situation of the Group, and to engage with the Group’s creditors and stakeholders with a view to understanding, addressing and, if necessary, restructuring the financing of the Group. In particular, OUE set out in the Comfort Letter that its long-term intention, subject to the foregoing review, was to work towards stabilising the Company’s business and financial position, with the understanding that the Company was expected to operate as a going concern in view of its listing status on the Catalist Board of the SGX-ST. The Company announced its request for resumption of trading from suspension with effect from 21 February 2017 at 2.00 p.m..
22 Feb 2017	The Company announced further updates on claims and/or demands received by the Group and convening of an informal meeting of its creditors.

APPENDIX I – IFA LETTER

Date	Event
24 Feb 2017	The Company clarified the relevant dates mentioned in its announcement released on 18 February 2017 in relation to the change of shareholding event under the MTNs.
26 Feb 2017	The Company announced the entering into of a loan agreement with the Offeror on 24 February 2017, pursuant to which the Offeror agreed to lend the Company up to an aggregate amount of S\$50 million for the Company's working capital requirements and/or day-to-day operations (the " OUE Loan ").
27 Feb 2017	The Company announced the establishment of an informal steering committee of noteholders comprising approximately three to five substantial noteholders with a view to discuss, amongst other things, the potential options with respect to the MTNs in light of the redemption event, the Company's liquidity position and the Comfort Letter issued by OUE.
28 Feb 2017	The Company announced the appointment of ZICO Capital as the independent financial adviser for the Offer. The Company announced that an application was made to the SGX-ST for extension of time to comply with Rules 705(1), 705(2) and 707(1) of the Catalist Rules.
2 Mar 2017	The Joint Financial Advisers announced the despatch of the Offer Document for and on behalf of the Offeror.
8 Mar 2017	The Company announced the appointment of Dr. Wong Weng Hong, who was nominated by OUE, as the Chief Executive Officer of the Group with effect from 8 March 2017.

Source: Company announcements from the SGXNet

Shareholders should note that the abovementioned is only a summary of the salient announcements made by the Company during the aforesaid period, and where in doubt, Shareholders are advised to read the details set out in the various announcements themselves.

We note that the Offeror and/or its concert parties have been purchasing Shares from the market at the Offer Price during the period after the Offer Announcement Date and up to the Latest Practicable Date. Since the Offer Announcement Date and up to the Latest Practicable Date, the Shares have traded at levels close to the Offer Price or at the Offer Price. It appears that the on-market purchases of Shares by the Offeror and/or its concert parties at the Offer Price after the Offer Announcement Date, and the Offer may be supporting the current market price of the Shares and there is no assurance that the market price of the Shares will be maintained at the prevailing level after the close of the Offer.

APPENDIX I – IFA LETTER

The trading statistics of the Shares for the period from 17 February 2016 (being the start date of the 12-month period prior to the Offer Announcement Date) and up to the Latest Practicable Date are set out below:–

Reference period	Highest traded price ⁽¹⁾ (S\$)	Lowest traded price ⁽¹⁾ (S\$)	VWAP ⁽²⁾ (S\$)	Premium of Offer Price over VWAP (%)	Number of traded days ⁽³⁾	Average daily traded volume ⁽⁴⁾	Average daily traded volume as a percentage of free float ⁽⁵⁾ (%)
Prior to the Offer Announcement Date							
Last 12 months	0.104	0.038	0.077	37.7	232	5,429,761	0.92
Last 6 months	0.104	0.038	0.080	32.5	110	8,655,257	1.47
Last 3 months	0.104	0.049	0.088	20.5	49	14,364,264	2.44
Last 1 month	0.104	0.066	0.093	14.0	10	60,821,640	10.32
As at 14 February 2017, being the last traded day prior to the Offer Announcement Date	0.108	0.102	0.106	0.0	1	75,532,900	12.81
After the Offer Announcement Date							
After the Offer Announcement Date and up to the Latest Practicable Date	0.106	0.105	0.106	0.0	13	19,144,084	3.25
As at the Latest Practicable Date	0.106	0.106	0.106	0.0	1	1,181,200	0.20

Source: Bloomberg L.P.

Notes:–

- (1) The highest and lowest traded prices for the periods (a) prior to the Offer Announcement Date; and (b) after the Offer Announcement Date and up to the Latest Practicable Date, are based on daily closing prices for the relevant period. The highest and lowest traded prices as at (a) 14 February 2017, being the last traded day prior to the Offer Announcement Date; and (b) the Latest Practicable Date, are based on intra-day prices.
- (2) The VWAP is calculated based on the aggregate daily VWAP turnover divided by aggregate daily VWAP volume for the respective periods, as extracted from Bloomberg L.P. Off-market transactions are excluded from the calculation.
- (3) Traded days refer to the days on which the Shares were traded on the SGX-ST during the period.
- (4) The average daily traded volume is computed based on the total volume of Shares traded on the SGX-ST (excluding off-market transactions) during the relevant periods, divided by the number of days when the SGX-ST was open for trading (excluding days with full day trading halts and trading suspensions on the Shares) during that period.
- (5) Free float refers to the Shares other than those held by the Directors, chief executive officer, controlling Shareholders or substantial Shareholders of the Company and their associates which amounted to 589,609,970 Shares (including valid acceptances of the Offer received by the Offeror and which have not been withdrawn), representing 35.54% of the issued and paid-up share capital of the Company as at the Latest Practicable Date.

APPENDIX I – IFA LETTER

Based on the above, we note the following:–

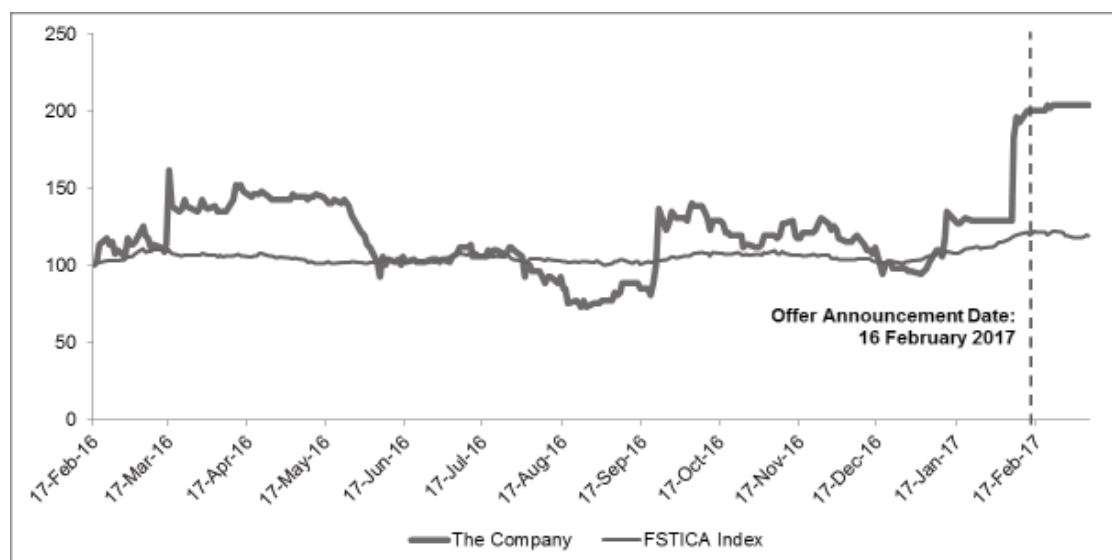
- (a) Over the 12-month period prior to the Offer Announcement Date, the Shares had traded between a low of S\$0.038 and a high of S\$0.104. The Offer Price represents a premium of S\$0.068 (or 178.9%) and S\$0.002 (or 1.9%) above the lowest transacted price and the highest transacted price of the Shares respectively;
- (b) The Offer Price represents a premium of 37.7%, 32.5%, 20.5% and 14.0% to the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date respectively;
- (c) As at 14 February 2017, being the last traded day prior to the Offer Announcement Date, the Shares traded at or close to the Offer Price;
- (d) Since the Offer Announcement Date and up to the Latest Practicable Date, the Shares traded at or close to the Offer Price. As at the Latest Practicable Date, the Shares were last transacted at the Offer Price;
- (e) The average daily traded volume of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date represented 0.92%, 1.47%, 2.44% and 10.32% of the Company's free float respectively;
- (f) During the 12-month period prior to the Offer Announcement Date, the Shares had traded on 232 days out of 236 Market Days (or 98.3% of the total number of Market Days during the period). The average daily traded volume was 5,429,761 Shares representing 0.92% of the Company's free float;
- (g) For the period after the Offer Announcement Date and up to the Latest Practicable Date, the Shares had traded on 13 days out of 13 Market Days (or 100.0% of the total number of Market Days during the period). The average daily traded volume was 19,144,084 Shares, representing 3.25% of the Company's free float; and
- (h) Had the Shares purchased by the Offeror and/or its concert parties from the market been excluded, for the period after the Offer Announcement Date and up to the Latest Practicable Date, the average daily traded volume would be 11,191,953 Shares which represent approximately 1.90% of the Company's free float.

Shareholders should note that the past daily trading prices and volumes performance of the Shares is no assurance of its future daily trading prices and volumes performance.

APPENDIX I – IFA LETTER

Relative performance of the Shares versus the market index

To assess the market price performance of the Shares vis-a-vis the general price performance of the Singapore equity market, we have compared the movement of the prices of the Shares against the FTSE ST Catalyst Index (the “**FSTICA Index**”) for the 12-month period prior to the Offer Announcement Date and up to the Latest Practicable Date, as illustrated below:–



Source: Bloomberg L.P.

We note that from time to time during the aforesaid period, the Shares have outperformed and underperformed the FSTICA Index. Taken over the whole of the aforesaid period, the Shares have generally outperformed the FSTICA Index.

Shareholders should note that the past trading performance of the Shares should not, in any way, be relied upon as an indication or promise of its future trading performance.

9.2 Financial performance and financial position of the Group

A summary of the financial results of the Group for the financial years ended 31 December (“FY”) 2013, 2014 and 2015, and for the 9-month periods ended 30 September 2015 (“9MFY2015”) and 30 September 2016 (“9MFY2016”) is set out below:–

Review of Operating Results

(S\$'000)	← Audited →			← Unaudited →	
	FY2013	FY2014 (Restated)	FY2015	9MFY2015	9MFY2016
Revenue	31,315	35,438	45,004	32,168	38,418
Gross profit	14,934	18,427	21,030	14,978	18,040
Profit before tax	51,441	39,801	15,027	29,019	9,530
Profit after tax	44,549	31,356	466	25,487	9,337

Source: Company's annual reports for FY2014, FY2015 and financial results announcement for 9MFY2016.

APPENDIX I – IFA LETTER

Based on information set out in the Company's annual reports and results announcements, we noted the following:–

The Group derives its revenue from two business segments as follows:–

- (a) Provision of healthcare services through the management and operation of hospital, trading and supplying of pharmaceutical supplies and drug, and the rental of healthcare-related facilities (“**Healthcare Services**”); and
- (b) Development of medical real estate (such as hospital facilities), healthcare-related assets (such as nursing homes) and integrated mixed-use developments with medical real estate/healthcare-related assets, retail space, office and/or service residences (“**Integrated Medical Real Estate**”).

Based on information provided by the Management, rental income accounted for approximately 36.5%, 44.5%, 40.9% and 46.2% of the Group's total revenue in FY2013, FY2014, FY2015 and 9MFY2016 respectively.

FY2014 vs FY2013

Revenue increased by S\$4.1 million, from S\$31.3 million in FY2013 to S\$35.4 million in FY2014, due to the increase in revenue from the Healthcare Services segment mainly attributable to an increase in rental income on leasing of 12 fully operational nursing facilities in various part of Japan (the “**Nursing Facilities**”) which contributed to the Group's revenue for the full 12 months in FY2014 while it only started contributing to the Group's revenue from April 2013 onwards in FY2013. The properties under the Integrated Medical Real Estate segment were still under development or earmarked for development and hence there were no revenue contribution from this business segment in both FY2013 and FY2014.

Gross profit increased by S\$3.5 million, from S\$14.9 million in FY2013 to S\$18.4 million in FY2014, mainly due to an increase in rental income on leasing of the Group's Nursing Facilities in Japan.

The Group recorded a lower profit after tax of S\$31.4 million in FY2014, as compared to S\$44.5 million in FY2013, mainly as a result of higher finance expenses of S\$10.8 million and lower fair value gain on the Group's investment properties and investment properties under development of S\$11.0 million (S\$42.5 million in FY2014 vis-à-vis S\$53.5 million in FY2013), partially offset by higher gross profit of S\$3.5 million, higher other operating income of S\$4.9 million and lower administrative expenses of S\$0.7 million.

FY2015 vs FY2014

Revenue increased by S\$9.6 million, from S\$35.4 million in FY2014 to S\$45.0 million in FY2015, due to the increase in revenue from both business segments. Revenue from the Healthcare Services segment increased by S\$7.7 million, from S\$35.4 million in FY2014 to S\$43.1 million in FY2015, due to S\$5.2 million revenue contribution from the acquisition of 100% equity interest in a medical drug distribution company in FY2015 and the increase in revenue from medical services and rental income of S\$1.7 million (from the Group's hospital in Wuxi, Jiangsu, China (“**Wuxi Hospital**”)) and S\$0.7 million respectively.

APPENDIX I – IFA LETTER

Revenue recorded from the Integrated Medical Real Estate segment amounted to S\$1.9 million in FY2015 in relation to the rental income from the Australia property acquired in FY2015.

The Group recorded a lower profit after tax of S\$0.5 million in FY2015, as compared to S\$31.4 million in FY2014, mainly as a result of (i) higher other losses of S\$23.4 million arising from allowance for impairment on amount due from a related party of S\$9.0 million, and deposits written off of S\$14.8 million as they were no longer deemed to be recoverable following the termination of the Group's project in Shanghai, China; (ii) higher administrative expenses of S\$23.7 million; (iii) higher finance expenses of S\$7.2 million; and (iv) higher income tax expense of S\$6.1 million. These were partially offset by (i) higher gross profit of S\$2.6 million; (ii) higher other income of S\$3.5 million due mainly to rental income from assets previously classified as held-for-sale; and (iii) higher fair value gain on the Group's investment properties and investment properties under development of S\$23.4 million (S\$65.8 million in FY2015 vis-à-vis S\$42.5 million in FY2014).

9MFY2016 (from 1 January 2016 to 30 September 2016) vs 9MFY2015 (from 1 January 2015 to 30 September 2015)

Revenue increased by S\$6.2 million, from S\$32.2 million in 9MFY2015 to S\$38.4 million in 9MFY2016, due to the increase in revenue from the Healthcare Services segment mainly attributable to the increase in revenue from the medical drug distribution company and the increase in revenue from the Integrated Medical Real Estate segment due to a reclassification of the revenue recorded from the Group's two properties in St Kilda Road, Melbourne, Australia from "Other income" to "Revenue" as they were no longer classified as assets held-for-sale.

The Group recorded a lower profit after tax of S\$9.3 million in 9MFY2016, as compared to S\$25.5 million in 9MFY2015, mainly as a result of lower other operating income of S\$26.0 million, partially offset by higher gross profit of S\$3.1 million, lower administrative expenses of S\$2.4 million and lower finance expenses of S\$1.0 million. The lower other operating income was due mainly to the absence of fair value gain on investment properties of S\$33.9 million in 9MFY2016, and lower guarantee fee income and profit guarantee income of S\$1.2 million in 9MFY2016 as compared to S\$3.9 million in 9MFY2015, partially offset by the gain on deconsolidation of subsidiaries of S\$13.3 million in 9MFY2016.

Review of Financial Position

S\$'000	Unaudited As at 30 September 2016
Current assets	88,470
Non-current assets	517,778
Current liabilities	93,465
Non-current liabilities	289,064
Equity	223,719
Net assets	223,719
Add: Non-controlling interests	629
Net assets attributable to shareholders	224,348

APPENDIX I – IFA LETTER

Assets as at 30 September 2016 comprised mainly investment properties of S\$322.1 million (53.1%), investment properties under development of S\$146.8 million (24.2%), trade and other receivables of S\$69.3 million (11.4%), intangible assets of S\$35.2 million (5.8%), cash and bank equivalents of S\$15.9 million (2.6%), property, plant and equipment of S\$7.7 million (1.3%), lease prepayments of S\$5.9 million (1.0%), other current assets of S\$2.1 million (0.3%) and inventories of S\$1.2 million (0.2%).

Liabilities as at 30 September 2016 comprised mainly short-term and long-term borrowings of S\$324.0 million (84.7%), deferred tax liabilities of S\$30.8 million (8.1%), short-term and long-term trade and other payables of S\$26.4 million (6.9%) and income tax liabilities of S\$1.3 million (0.3%).

Shareholders' equity increased by S\$16.1 million from S\$207.6 million as at 31 December 2015 to S\$223.7 million as at 30 September 2016.

FY2015 Audit Opinion Disclaimer

We wish to highlight that the Company's previous auditors, PwC, had issued a Disclaimer of Opinion in respect of the Company's financial statements for FY2015. The following is an extract of the said opinion as set out in the Company's annual report for FY2015:–

“Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with Singapore Standards on Auditing. Because of the matters described in the Basis for Disclaimer of Opinion section, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

- (a) As disclosed in Note 21 to the financial statements, the Group's investment properties under development at 31 December 2015 includes an amount of S\$87,674,000 relating to two properties in China (“China properties”), in respect of which the Group has recorded a fair value gain of S\$46,004,000 for the financial year then ended. As stated in Note 3(a) to the financial statements, the carrying value of these China properties is based on certain critical estimates and assumptions. We were unable to obtain sufficient appropriate audit evidence regarding the appropriateness and reliability of all of these estimates and assumptions as the Group was unable to provide satisfactory documentary support for these estimates and assumptions. Consequently, we were unable to determine whether any adjustment to the accompanying financial statements in relation to the two China properties was necessary.*
- (b) Included in the Group's current borrowings and other payables as at 31 December 2015 is a principal amount of S\$4,116,000 and related interest of S\$1,147,000 owed by a wholly-owned subsidiary to certain Funds (Note 29(a)).*

However, this is significantly lower than the total amount alleged as being owed to the Funds as at 31 December 2015 of approximately S\$28,662,000 and S\$18,630,000 in relation to the Group and the Company respectively (including the outstanding interest of S\$2,579,000 and S\$1,281,000 in relation to the Group and Company respectively), as described in Notes 3(b) and 29(a) to the financial statements. As this claim against

APPENDIX I – IFA LETTER

the Group and the Company is in its early stages of development, we were unable to obtain sufficient appropriate audit evidence regarding (i) the amount of liabilities that should be recorded by the Group and the Company in relation to the borrowings from the Funds, and (ii) whether the receivership action taken by the Funds as described in Note 29(a) to the financial statements would have an impact on the ongoing business operations of the Group.

- (c) *As stated in Note 2.1 to the financial statements, the appropriateness of the going concern assumption on which the financial statements have been prepared is dependent on certain key assumptions, including the Group's and the Company's compliance with certain externally imposed covenants and the continued financial support from the Group's and the Company's bankers and other lenders. If significant adjustments have to be made to the financial statements of the Group and of the Company for the financial year ended 31 December 2015 as a result of the matters described in paragraphs (a) and (b) above, the Group and the Company would be in breach of certain externally imposed loan covenants. If this happens, non-current borrowings amounting to S\$121,687,000 and S\$97,808,000 of the Group and the Company respectively will become payable immediately and would have to be reclassified as current liabilities in the respective balance sheets as at 31 December 2015. This indicates the existence of material uncertainties which may cast significant doubt about the ability of the Group and the Company to continue as going concern.*

If the going concern assumption on which the accompanying financial statements of the Group and Company have been prepared is not appropriate, adjustments would have to be made to reflect a situation where the assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts stated in the balance sheet of the Group and Company. In addition, the Group and the Company may have to provide for further liabilities which may arise, and to classify the non-current assets and non-current liabilities as current assets and current liabilities respectively.

The financial statements do not include the adjustments that would result if the Company and the Group are unable to continue as going concerns.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion section, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements."

Letter to Shareholders

We noted that the Responses to Disclaimer of Opinion by the Previous Board, as set out in the same annual report under "Letter to Shareholders". The following is an extract of the Responses to Disclaimer of Opinion (we have underlined the concluding responses of the Previous Board for ease of reference):–

"The fair values of the Group's China properties were determined by an external independent professional valuer, Savills Valuation and Professional Services ("Savills"). However, the Company's auditors were, inter alia, unable to obtain sufficient appropriate audit evidence regarding the appropriateness and reliability of the critical estimates and

APPENDIX I – IFA LETTER

assumptions of which the carrying values of these China properties are based on. As such, the management sought to validate Savills' conclusion on the fair values of the China properties to ensure that they are reasonable and acceptable for inclusion in the FY2015 financial statements. Further independent valuation reports were obtained from an international and a local renowned independent valuers, and both of these valuations concluded in higher fair values on the China properties of the Group than that of Savills'. Therefore, the Board is of the view that Savills' conclusion, which has been recorded in the FY2015 financial statements, is appropriate.

The Company's auditors were also unable to obtain sufficient appropriate audit evidence regarding (i) the amount of liabilities that should be recorded by the Group and the Company in relation to the borrowings from certain Funds (Note 29 (a) to the financial statements), and (ii) whether the receivership action taken by the Funds as described in Note 29 (a) to the financial statements would have an impact on the ongoing business operations of the Group. However, as per the Company's announcement on 6 June 2016, the Board is of the view that there are no merits to the amount claimed by the Funds and there are no known breaches to any of the Group's loan covenants.

As at 31 December 2015, the Group has net current liabilities of S\$212.6 million, mainly due to the Japan TMK bond of S\$151.2 million and Australia bank borrowings of S\$55.0 million that were due to mature in April 2016 and August 2016 respectively being classified as current liabilities. Subsequent to the balance sheet date, the Group has successfully re-financed its TMK bonds with a new maturity date of April 2019 and obtained additional long-term banking facilities of S\$8.2 million. In addition, the Group is currently negotiating an extension of the maturity date of the Australia bank borrowings, which are secured on a mortgage of two investment properties in Australia which have a total fair value of approximately S\$89.8 million. The Group is also looking to dispose certain non-core assets to repay the Australia bank borrowings.

On the basis of the Group's business and operating plans for the next 12 months up to June 2017, the Group's efforts to re-position its asset portfolio and considering the aforementioned actual/potential revised due dates of its current liabilities and the cash flow projection based on these plans, the Board is of the view that there are reasonable grounds to believe that the Group would be able to pay its debts as and when they fall due."

For ease of reference, we have also reproduced an extract of Note 29(a) under the "Notes to the Financial Statements for the Financial Year ended 31 December 2015", which is as follows:—

Note 29(a)

"(a) Litigation with certain funds

On or around 7 April 2016, certain funds ("Funds") have appointed receivers over the entire issued share capital of IHC Medical Re Pte Ltd ("HMRE"), IHC Management Pte Ltd and IHC Management (Australia) Pty Ltd, which are wholly owned subsidiaries of the Group, in connection with the notices of default issued by the funds alleging that Company and its subsidiary, HMRE owe the Funds a total amount of S\$34,003,000 which included outstanding interest of S\$7,912,000 as at the date of the notices of default.

APPENDIX I – IFA LETTER

The Group has been legally advised that the notices of default are invalid and consequently, disputes the legitimacy of the appointment of the receivers. The Group has applied to the Supreme Court of Singapore to rescind and/or suspend the appointment of the receivers and/or to enjoin the receivers from selling, transferring and/or disposing any of the shares in the share capital of the relevant subsidiaries of the Group.

As at 31 December 2015, the outstanding amount due to the Funds as recorded in the balance sheet of the Group and Company was S\$5,263,000 and Nil respectively. The additional amounts claimed by the Funds as at 31 December 2015 of approximately S\$23,399,000 and S\$18,630,000 in relation to the Group and the Company respectively (including the additional outstanding interest of S\$1,432,000 and S\$1,281,000 in relation to the Group and Company respectively) have not been recognised in the financial statements of the Group and the Company for the financial year ended 31 December 2015 as the management, based on legal advice, is of the view that there are no basis and/or merits to the claims and hence an outflow of economic benefit is less than probable.”

We have discussed with the Directors on the Current Board who confirm that, based on the best of their knowledge and belief as at the Latest Practicable Date, they are in agreement with the Responses to Disclaimer of Opinion provided by the Previous Board as set out in the annual report of the Company for FY2015 under “Letter to Shareholders”.

We have relied on the financial statements of the Group for FY2015 as they stand, on the basis of the Responses to Disclaimer of Opinion as well as the aforementioned confirmation of the Current Board. We have thereon gone on to rely on the Group’s unaudited financial statements for the nine months ended 30 September 2016. We have not considered the potential adverse outcome in the unlikely event of successful claims by the Funds. We have also assumed that no financial adjustments would be required to be made for the purpose of our assessment, other than the revaluation of the Group’s investment properties, as described in section 9.3(c) below.

We wish to highlight that we have not independently examined and verified the bases for the Responses to Disclaimer of Opinion or the aforementioned confirmation of the Current Board (which are outside the scope of our Terms of Reference), and accordingly, we do not express any views on the reasonableness or adequacy of the Responses to Disclaimer of Opinion or the aforementioned confirmation of the Current Board.

9.3 Asset-based valuation of the Group

Companies whose assets comprise mainly properties are generally valued using an asset-based approach as their asset backings are perceived as providing support for the value of their shares. Given that the Group’s total assets as at 30 September 2016 comprised mainly investment properties of S\$322.1 million (53.1%), investment properties under development of S\$146.8 million (24.2%) and intangible assets (consisting of goodwill on consolidation and medicine distribution licenses) of S\$35.2 million (5.8%), we have considered the net asset value (“NAV”), net tangible assets (“NTA”), the revalued net asset value (“RNAV”) and the revalued net tangible assets (“RNTA”) of the Group in assessing the financial terms of the Offer.

APPENDIX I – IFA LETTER

The NAV based valuation approach shows the extent to which the value of each Share is backed by the Group's net assets. NTA is derived by deducting intangible assets from the NAV and the NTA based valuation approach shows the extent to which the value of each Share is backed by the Group's net tangible assets.

(a) NAV per Share

Based on the Group's unaudited financial statements as at 30 September 2016, the NAV of the Group attributable to the Shareholders was S\$224.3 million and its NAV per Share was S\$0.1352.

The Offer Price represents a discount of 21.6% to the NAV per Share, or a Price-to-NAV ("**P/NAV**") ratio of 0.78 time as at 30 September 2016.

(b) NTA per Share

We note that the Group has intangible assets amounting to S\$35.2 million as at 30 September 2016. As such, the NTA of the Group attributable to the Shareholders was S\$189.1 million and its NTA per Share was S\$0.1140.

The Offer Price represents a discount of 7.0% to the NTA per Share, or a Price-to-NTA ("**P/NTA**") ratio of 0.93 time as at 30 September 2016.

(c) RNAV and RNTA of the Group

Revaluation of properties

In connection with the Offer, the Company has commissioned independent professional valuers to determine the market values of the Group's investment properties ("**Revalued Properties**") as at 31 December 2016.

Colliers International was commissioned in respect of the Group's investment properties in Japan ("**Japan Properties**") which comprise 12 skilled nursing facilities.

Savills Real Estate Valuation (Guangzhou) Ltd. Shanghai Branch was commissioned in respect of the Group's investment properties in China ("**China Properties**") which comprise (i) a plot of vacant land in Dujiangyan, Chengdu; and (ii) a plot of vacant land in Wuxi.

Raine & Horne International Zaki + Partners Sdn. Bhd. was commissioned in respect of the Group's investment property in Malaysia ("**Malaysia Property**") which comprises a plot of vacant land in Kuala Lumpur.

The Group also has buildings amounting to approximately S\$3.9 million recorded under "Property, plant and equipment" as at 30 September 2016. These are (i) a hospital building located in Wuxi, China; and (ii) a warehouse in Jiangsu, China which supports the drug distribution business. The Management and the Current Board have informed us that the Company has not conducted any valuation on these properties as these are not material assets, accounting for only 0.7% and 1.8% of the Group's total assets and net assets as at 30 September 2016, respectively. Furthermore, as at the Latest Practicable Date, the Group has no intention to dispose of these properties as

APPENDIX I – IFA LETTER

they are used to support the Group's business operations. The Management and the Current Board are of the view that there is no material change to the book value of these properties as at 30 September 2016.

The valuation methods adopted by the respective Independent Valuers for purposes of assessing the market values of the Revalued Properties are set out in the table below. Shareholders are advised to read the full text of the Valuation Certificates set out in Appendix VI to the Circular. A summary of the book value and market value as assessed by the respective Independent Valuers is also set out in the table below.

		Book value as at 30 September 2016 (S\$'000)	Revalued amount based on the Valuation Certificates (S\$'000)	Differences (S\$'000)
Japan Properties	Discounted Cash Flow Method/Direct Capitalisation Method	322,143 ⁽³⁾	295,918 ⁽⁶⁾	(26,225) ⁽⁹⁾
China Properties ⁽¹⁾	Residual Method	83,968 ⁽⁴⁾	81,881 ⁽⁷⁾	(2,087) ⁽¹⁰⁾
Malaysia Property ⁽²⁾	Comparison Method	62,815 ⁽⁵⁾	58,032 ⁽⁸⁾	(4,783) ⁽¹¹⁾
Total		468,926	435,831	(33,095)

Notes:–

- (1) We understand from the Directors and the Management that they were informed by Savills Real Estate Valuation (Guangzhou) Ltd. Shanghai Branch that the China Properties have been re-valued on a “as if” and not a “as is” basis, as there is no appropriate data on recent transactions and sale evidences involving other similar properties in the vicinity of the China Properties.
- (2) The Directors and the Management have informed that the Malaysia Property has been re-valued on a “as is” basis (without taking into account any development plans of the property) as the Company has no immediate plans to develop the Malaysia Property.
- (3) The book value has been translated to Singapore dollars at the exchange rate of JPY1:S\$0.013468 as at 30 September 2016.
- (4) The book value has been translated to Singapore dollars at the exchange rate of RMB1:S\$0.2047 as at 30 September 2016.
- (5) The book value has been translated to Singapore dollars at the exchange rate of RM1:S\$0.3294 as at 30 September 2016.
- (6) The book value has been translated to Singapore dollars at the exchange rate of JPY1:S\$0.01266 as at 31 December 2016.
- (7) The book value has been translated to Singapore dollars at the exchange rate of RMB1:S\$0.2080 as at 31 December 2016.
- (8) The book value has been translated to Singapore dollars at the exchange rate of RM1:S\$0.3224 as at 31 December 2016.
- (9) The difference between the book value and the revalued amount is due mainly to translation loss as Japanese Yen depreciated against Singapore dollars as set out in footnotes (3) and (6) above.
- (10) The difference between the book value and the revalued amount is due mainly to revaluation deficit arising from the China Properties.
- (11) The difference between the book value and the revalued amount is due to translation loss as Malaysian Ringgit depreciated against Singapore dollars as set out in footnotes (5) and (8) above.

APPENDIX I – IFA LETTER

Based on the above, we set out below the adjustments which are made to determine the RNAV and RNTA of the Group:–

RNAV

	(S\$'000)
NAV (excluding non-controlling interests) of the Group as at 30 September 2016	224,348
Less: Differences arising from the Revalued Properties (net of potential tax liabilities ⁽¹⁾)	31,332
RNAV of the Group	193,016
RNAV per Share	S\$0.1163
Discount of Offer Price over RNAV per Share	8.9%
Price-to-RNAV (" P/RNAV ") ratio as implied by the Offer Price	0.91 time

Note:–

- (1) Potential tax liabilities on the hypothetical sale of the Revalued Properties at the revalued amount is approximately S\$28.7 million, out of which S\$30.5 million has been recorded in the consolidated unaudited balance sheet of the Group as at 30 September 2016. As such, the difference of S\$1.8 million has been added to the NAV of the Group as at 30 September 2016 to arrive at the RNAV of the Group.

Based on the above, we note that the Offer Price represents a discount of 8.9% to the RNAV per Share, or a P/RNAV ratio of 0.91 time.

RNTA

	(S\$'000)
NTA (excluding non-controlling interests) of the Group as at 30 September 2016	189,136
Less: Differences arising from the Revalued Properties (net of potential tax liabilities ⁽¹⁾)	31,332
RNTA of the Group	157,804
RNTA per Share	S\$0.0951
Premium of Offer Price over RNTA per Share	11.5%
Price-to-RNTA (" P/RNTA ") ratio as implied by the Offer Price	1.11 times

Note:–

- (1) Potential tax liabilities on the hypothetical sale of the Revalued Properties at the revalued amount is approximately S\$28.7 million, out of which S\$30.5 million has been recorded in the consolidated unaudited balance sheet of the Group as at 30 September 2016. As such, the difference of S\$1.8 million has been added to the NTA of the Group as at 30 September 2016 to arrive at the RNTA of the Group.

Based on the above, we note that the Offer Price represents a premium of 11.5% to the RNTA per Share, or a P/RNTA ratio of 1.11 times.

APPENDIX I – IFA LETTER

Potential of proceeds from sale of Australian Properties

We note that pursuant to the events announced by the Company on 15 August 2016, the Company is deemed to have temporarily lost control of IHC Management, IHC Management (Australia) Pty. Ltd., IHC Medical, IHC Healthcare REIT, IHC Australia First Trust and IHC Australia Second Trust (“**Deconsolidated Subsidiaries**”). In accordance with the Singapore Financial Reporting Standards 110 (FRS 110), the Group is required to de-recognise the assets and liabilities of the Deconsolidated Subsidiaries.

We understand from the Management that there is a potential receipt of proceeds from the sale of three properties in Australia (the “**Australian Properties**”) under the Deconsolidated Subsidiaries, of which two have been sold as at the Latest Practicable Date. Pending the outcome of the legal proceedings (as mentioned under section 10.6 of this IFA Letter), the balance of the proceeds from the sale of the Australian Properties (after deducting relevant agreed payments, fees and undisputed outstanding liabilities) are to be deposited with a prime international bank. We understand from the Directors and the Management that the estimated after-tax surplus from the sale of the Australian Properties is approximately S\$47.2 million (the “**Sale Surplus**”), assuming that the third Australian Property has also been sold and the disputed sum owing to the Funds need not be paid as there are no merits to the claims by the Funds, in the opinion of the Current Board.

The Management has informed that as at 30 September 2016, there was an outstanding amount owing from the Deconsolidated Subsidiaries to the Company of S\$51.4 million recorded under “Other receivables”. This related to a loan which was extended by the Company to the Deconsolidated Subsidiaries for the purchase of the Australian Properties (the “**Outstanding Loan**”). The Directors and the Management have informed that the Sale Surplus will be applied to offset the Outstanding Loan and accordingly, the Sale Surplus will not be an impact on the NAV and/or NTA of the Group.

Save for the above Revalued Properties and as disclosed above, we have also considered whether there are any tangible assets which should be valued at an amount that is materially different from that which were recorded in the statement of financial position of the Group as at 30 September 2016, and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NAV and/or NTA as at 30 September 2016. In this regard, the Directors and the Management have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief:–

- (a) save for the revaluation differences arising from the valuations of the Revalued Properties, there are no material differences between the realisable value of the Group’s assets and their respective book values as at 30 September 2016, which would result in a material impact on the NAV and/or NTA of the Group;
- (b) other than that already provided for or disclosed in the unaudited financial results of the Group as at 30 September 2016, there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV and/or NTA of the Group;

APPENDIX I – IFA LETTER

- (c) other than that already disclosed in all public announcements made by the Company via SGXNet, there are no litigation, claims or proceedings pending or threatened against the Company or any of its subsidiaries or any fact likely to give rise to any proceedings which might materially and adversely affect the financial position of the Group;
- (d) save as disclosed in the unaudited statement of financial position of the Group as at 30 September 2016, there are no other intangible assets which ought to be disclosed in the unaudited financial statements as at 30 September 2016 in accordance with Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible asset would have had a material impact on the overall financial position of the Group; and
- (e) there are no material acquisitions and disposals of assets by the Group since 1 October 2016 and up to the Latest Practicable Date, and the Group does not have any plans for any impending material acquisitions or disposals of assets, conversion of the use of its material assets or material change in the nature of the Group's business.

9.4 Comparison with the valuation statistics of selected listed companies which are broadly comparable to the Group

For the purpose of our evaluation and for illustration, we have used the following valuation measures in our analysis:–

Valuation measure	Description
Price-to-Earnings ratio ("PER")	This ratio is computed by dividing the market capitalisation of a company by the trailing 12-month consolidated net profits attributable to owners of a company. The PER is affected by, <i>inter alia</i>, the capital structure of a company, its tax position as well as its accounting policies relating to among others, depreciation and amortisation.
P/NAV	This ratio illustrates the market price of a company's shares relative to the NAV per share as recorded in its financial statements. NAV is defined as total assets less total liabilities, and excludes, where applicable, minority or non-controlling interests. The NAV figure provides an estimate of the value of a company assuming the hypothetical sale of all its assets at its book value and repayment of its liabilities and obligations, with the balance available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets of the company.

APPENDIX I – IFA LETTER

Valuation measure	Description
	Comparisons of companies using NAV are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.
P/NTA	This ratio illustrates the market price of a company's shares relative to the NTA per share as recorded in its financial statements. NTA is defined as total assets less total liabilities as well as intangible assets, and excludes, where applicable, minority or non-controlling interests. The NTA figure provides an estimate of the value of a company assuming the hypothetical sale of all its tangible assets at its book value and repayment of its liabilities and obligations, with the balance available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net tangible assets of the company. Comparisons of companies using NTA are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.
Enterprise Value-to-Earnings before Interests, Taxes, Depreciation and Amortisation (“EV/EBITDA”)	EV refers to enterprise value which is the sum of a company's market capitalisation, preferred equity, minority interests, short and long term debts (inclusive of finance lease liabilities) less the cash and cash equivalents. EBITDA is the earnings before interest, tax, depreciation and amortisation. The EV/EBITDA ratio illustrates the ratio of the market value of a company's business relative to its trailing 12-month pre-tax consolidated operating cashflow performance, without regard to its capital structure as well as its interest, taxation, depreciation and amortisation charges.
Net Gearing (“Net Gearing”)	Net Gearing is a measure of a company's financial leverage, and is computed by dividing the net liabilities of a company (total debt less cash and cash equivalents) by the total equity of a company.

(a) Healthcare Comparable Companies

For purpose of assessing the financial terms of the Offer, we have referred to the current valuation statistics of selected companies listed in Singapore which businesses are broadly comparable to the Company's healthcare business segment (“**Healthcare Comparable Companies**”). We have had discussions with the Directors and the Management about the suitability and reasonableness of the Healthcare

APPENDIX I – IFA LETTER

Comparable Companies acting as a basis for comparison with the Company. The Healthcare Comparable Companies are broad proxies to the Company's business and any comparison therewith is intended to serve only as an illustrative guide.

Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the Healthcare Comparable Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information.

We set out in the table below the Healthcare Comparable Companies, together with a brief description of their business activities:–

Healthcare Comparable Companies	Business activities
AsiaMedic Limited ("AsiaMedic")	AsiaMedic is a healthcare provider that focuses on the management of clinical services in the fields of disease prevention, early illness detection, and advanced diagnostics. The company provides clinical and management services in Singapore and Internationally.
HC Surgical Specialists Limited ("HC Surgical")	HC Surgical operates as a medical services group. The company focuses on the provision of endoscopic procedures, including gastroscopies and colonoscopies, and general surgery services with a focus on colorectal procedures. HC Surgical serves customers in Singapore.
Healthway Medical Corporation Limited ("HMC")	HMC provides outpatient medical services in Singapore. The company offers care in the areas of family medicine, specialists care, dental and oral care and medical aesthetics.
Health Management International Ltd ("Health Management")	Health Management is a regional private healthcare provider in South East Asia. The company owns and operates tertiary care hospitals supported by a patient referral network, as well as a healthcare training institute.
ISEC Healthcare Ltd. ("ISEC Healthcare")	ISEC Healthcare provides eyecare (ophthalmology) services in Malaysia and Singapore. The company provides clinical care, research and educational services. ISEC Healthcare operates across Malaysia and Singapore.

APPENDIX I – IFA LETTER

Healthcare Comparable Companies	Business activities
Q & M Dental Group (Singapore) Limited (“ Q & M Dental ”)	Q & M Dental operates dental clinics. The company offers aesthetic, children’s and general dentistry, fits crowns, dentures and braces, and offers bleeding gum treatment, gum surgery and oral surgery, and treats snoring and teeth grinding.
Raffles Medical Group Ltd (“ Raffles Medical ”)	Raffles Medical is a healthcare provider. The company operates medical clinics, imaging centers, and medical laboratories. Raffles Medical provides general and specialised medical, medical evacuation, medical advisory, and dental treatment services.
Singapore O&G Ltd. (“ Singapore O&G ”)	Singapore O&G operates specialist healthcare facilities catered toward woman in Singapore. The company provides services in obstetric, gynecology, gyne-oncology, breast and surgical care.
Singapore Medical Group Limited (“ SMG ”)	SMG operates medical clinics throughout Singapore. The company’s principal activities lie in the provision of multi-disciplinary specialist healthcare services across the fields of ophthalmology, sports medicine, aesthetic medicine and oncology.
TalkMed Group Limited (“ TalkMed ”)	TalkMed provides medical oncology services to patients.

Source: Bloomberg L.P. and/or annual reports of the respective companies

Shareholders should note that the Healthcare Comparable Companies may not be directly comparable to the Group in terms of market capitalisation, composition of business activities, scale of operations, asset base, clientele base, risk profile, geographical spread of activities, track record, future prospects and other relevant criteria. Comparisons may also be affected, *inter alia*, by differences in their accounting policies. Our analysis has not adjusted for such differences. As such, any comparison made with respect to the Healthcare Comparable Companies merely serves as an illustration guide and the conclusions drawn from the comparisons may not necessarily reflect the perceived market valuation of the Company as at the Latest Practicable Date.

APPENDIX I – IFA LETTER

The valuation measures of the Healthcare Comparable Companies set out below are based on their respective last transacted share prices as at the Latest Practicable Date.

Healthcare Comparable Companies	Market capitalisation as at the Latest Practicable Date (S\$ million)	PER ⁽¹⁾ (times)	P/NAV (times)	P/NTA (times)	EV/ EBITDA ⁽²⁾ (times)	Net Gearing (times)
AsiaMedic	28.9	N.A. ⁽³⁾	2.2	2.4	N.A. ⁽⁴⁾	N.A. ⁽⁵⁾
HC Surgical	87.8	32.1	40.8	40.8	20.7	N.A. ⁽⁵⁾
HMC	103.3	N.A. ⁽³⁾	0.7	2.8	N.A. ⁽⁴⁾	0.1
Health Management	359.1	43.7	6.0	6.0	12.1	N.A. ⁽⁵⁾
ISEC Healthcare	152.5	23.7	2.5	7.0	14.6	N.A. ⁽⁵⁾
Q & M Dental	549.6	19.4	4.8	13.9	13.9	0.3
Raffles Medical	2,456.2	35.0	3.7	3.9	24.7	N.A. ⁽⁵⁾
Singapore O&G	296.8	33.7	7.1	20.2	25.6	N.A. ⁽⁵⁾
SMG	178.8	73.8	7.7	13.1	38.9	N.A. ⁽⁵⁾
TalkMed	1,044.9	27.9	16.4	16.4	21.8	N.A. ⁽⁵⁾
Mean		36.2	9.2	12.7	21.5	0.2
Median		32.9	5.4	10.0	21.3	0.2
Max		73.8	40.8	40.8	38.9	0.3
Min		19.4	0.7	2.4	12.1	0.1
The Company (as implied by the Offer Consideration)		N.A. ⁽⁶⁾	0.8 ⁽⁷⁾ (P/NAV) 0.9 ⁽⁸⁾ (P/RNAV)	0.9 ⁽⁷⁾ (P/NTA) 1.1 ⁽⁸⁾ (P/RNTA)	37.7 ⁽⁶⁾	1.4 ⁽⁹⁾

Source: Bloomberg L.P., annual reports and/or announcements of the respective companies

Notes:–

“N.A.” – Not applicable

- (1) Based on the latest published full year profit attributable to owners of the company or trailing 12-month profit attributable to owners of the company, where applicable and available as at the Latest Practicable Date.
- (2) Based on the latest published full year EBITDA of the company or trailing 12-month EBITDA of the company, where applicable and available as at the Latest Practicable Date.
- (3) This multiple is not applicable as it reflects full year loss attributable to owners of the company or trailing 12-month loss attributable to owners of the company, as the case may be.
- (4) This multiple is not applicable as the company had negative full year EBITDA or negative trailing 12-month EBITDA as the case may be.
- (5) This multiple is not applicable as the company is in net cash position.
- (6) Based on the Group's trailing 12-month loss attributable to equity holders of the Company of S\$28.8 million and trailing 12-month EBITDA of the Group of S\$12.8 million as at 30 September 2016, after

APPENDIX I – IFA LETTER

excluding one-off items, namely (i) gain on deconsolidation of subsidiaries of S\$13.3 million; (ii) guarantee fee income of S\$1.9 million; and (iii) profit guarantee income of S\$0.7 million. The trailing 12-month loss attributable to equity holders of the Company and trailing 12-month EBITDA is computed based on 9MFY2016 financial results and financial results for the fourth quarter of FY2015 as set out in the Company's unaudited FY2015 results announcement. We wish to highlight that the Company had announced on 6 June 2016 that there were material differences between the unaudited financial statements for FY2015 and its finalised consolidated financial statements for FY2015.

- (7) Based on the Group's NAV or NTA as at 30 September 2016, as the case may be.
- (8) Based on the Group's RNAV or RNTA as at 30 September 2016 as computed in section 9.3 above, as the case may be.
- (9) Based on the Group's Net Gearing as at 30 September 2016.

Comparison of PER

We note that the Group recorded a loss attributable to equity holders of the Company for the trailing 12-month period as at 30 September 2016, after excluding one-off items which amounted to S\$15.9 million in aggregate. Accordingly, no comparison of PER was made as it would not be meaningful.

Comparison of P/NAV, P/RNAV, P/NTA and P/RNTA ratios

We note that the P/NAV and P/RNAV ratios of the Company of 0.8 time and 0.9 time respectively, as implied by the Offer Price, are within the range of the P/NAV ratios of the Healthcare Comparable Companies but lower than the mean and median P/NAV ratios.

We note that the P/NTA and P/RNTA ratios of the Company of 0.9 time and 1.1 times respectively, as implied by the Offer Price, are lower than the range of the P/NTA ratios of the Healthcare Comparable Companies.

We wish to highlight that the P/NAV, P/NTA, P/RNAV and P/RNTA ratios of the Healthcare Comparable Companies are not entirely comparable with the Company. As at 30 September 2016, investment properties and investment properties under development constituted approximately 77.3% of the Group's total assets. Based on information extracted from the latest available annual reports of the Healthcare Comparable Companies, we note that none of the Healthcare Comparable Companies has significant properties, land and/or buildings save for Health Management and Raffles Medical which properties, land and/or buildings amounted to 26.6% and 69.3% of their total assets respectively.

The P/NAV and P/NTA ratios for the aforesaid two Healthcare Comparable Companies range between 3.7 and 6.0 and between 3.9 and 6.0, respectively.

Comparison of EV/EBITDA ratios

We note that the EV/EBITDA ratio of the Company of 37.7 times, as implied by the Offer Price, is within the range of EV/EBITDA ratios of the Healthcare Comparable Companies and is higher than the mean and median EV/EBITDA ratios.

APPENDIX I – IFA LETTER

Comparison of Net Gearing ratios

We note that, save for two Healthcare Comparable Companies, the remaining Healthcare Comparable Companies had a net cash position. The Net Gearing ratio of the Company of 1.4 times is higher than that of the aforementioned two Healthcare Comparable Companies which had a Net Gearing ratio of 0.1 time and 0.3 time respectively.

(b) Property-Related Comparable Companies

As the Group's total assets as at 30 September 2016 comprised mainly investment properties of S\$322.1 million (53.1%) and investment properties under development of S\$146.8 million (24.2%), and rental income constituted approximately 36.5%, 44.5%, 40.9% and 46.2% of the Group's revenue for FY2013, FY2014, FY2015 and 9MFY2016 respectively, we have also considered the valuation statistics of selected property-related companies ("**Property-Related Comparable Companies**") in assessing the financial terms of the Offer. These property-related companies are listed in Singapore and are of fairly comparable size in terms of market capitalisation. We have had discussions with the Directors and the Management about the suitability and reasonableness of the Property-Related Comparable Companies acting as a basis for comparison with the Company. The Property-Related Comparable Companies are broad proxies to the Company based on the asset intensive nature of the Company's business and any comparison therewith is intended to serve only as an illustrative guide.

Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the Property-Related Comparable Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information.

APPENDIX I – IFA LETTER

We set out in the table below the Property-Related Comparable Companies, together with a brief description of their business activities:–

Property-Related Comparable Companies	Business activities
TEE Land Limited (“TEE Land”)	TEE Land is principally engaged in property development and property investment, with a presence in Singapore, Malaysia, Thailand, Australia and New Zealand.
Tuan Sing Holdings Limited (“Tuan Sing”)	Tuan Sing an investment holding company with interest mainly in property development, property investment and hotel ownership in Singapore, Australia, China, Malaysia, Indonesia, Europe and other ASEAN countries.
SingHaiyi Group Ltd. (“SingHaiyi”)	SingHaiyi is a diversified real estate company focused on property development, real estate investment and property management services. SingHaiyi also holds a diversified portfolio of income-generative assets in the commercial and retail sectors, with geographical reach into the United States of America and widening exposure in Asia.
CWG International Ltd. (“CWG International”)	CWG International is a property developer in China.
Astaka Holdings Limited (“Astaka Holdings”)	Astaka Holdings is a property developer based in the Iskandar region of Johor, Malaysia.
Pan Hong Holdings Group Limited (“Pan Hong”)	Pan Hong is a property developer focused on developing high quality residential and commercial properties in the second and third-tier cities in China.
Heeton Holdings Limited (“Heeton”)	Heeton is principally engaged in property development, property investment and hospitality businesses, with a presence in Singapore, United Kingdom, Thailand, Malaysia, Australia and Vietnam.

APPENDIX I – IFA LETTER

Property-Related Comparable Companies	Business activities
Hiap Hoe Limited ("Hiap Hoe")	Hiap Hoe is a real estate group with a diversified portfolio of hospitality, retail, commercial and residential assets, in Singapore and Australia. In addition, Hiap Hoe is engaged in the construction business in Singapore.
Hwa Hong Corporation Limited ("Hwa Hong")	Hwa Hong is principally engaged in the rental and investment of properties in Singapore and the United Kingdom.
LHN Limited ("LHN")	LHN is a real estate management services group with a presence primarily in Singapore.
MYP Ltd. ("MYP")	MYP invests in real estate properties in Singapore.
Sing Holdings Limited ("Sing Holdings")	Sing Holdings is a property development and investment company in Singapore.
Top Global Limited ("Top Global")	Top Global is principally engaged in property development, hospitality management and facility management businesses in Singapore and Indonesia.
Goodland Group Limited ("Goodland")	Goodland is a property developer in Singapore.

Source: Bloomberg L.P. and/or annual reports of the respective companies

Shareholders should note that the Property-Related Comparable Companies may not be directly comparable to the Group in terms of composition of business activities, scale of operations, asset base, clientele base, risk profile, geographical spread of activities, track record, future prospects and other relevant criteria. Comparisons may also be affected, *inter alia*, by differences in their accounting policies. Our analysis has not adjusted for such differences. As such, any comparison made with respect to the Property-Related Comparable Companies merely serves as an illustration guide and the conclusions drawn from the comparisons may not necessarily reflect the perceived market valuation of the Company as at the Latest Practicable Date.

APPENDIX I – IFA LETTER

The valuation measures of the Property-Related Comparable Companies set out below are based on their respective last transacted share prices as at the Latest Practicable Date.

Property-Related Comparable Companies	Market capitalisation as at the Latest Practicable Date (\$ million)	PER ⁽¹⁾ (times)	P/NAV (times)	P/NTA (times)	EV/ EBITDA ⁽²⁾ (times)	Net Gearing (times)
TEE Land	81.3	13.1	0.5	0.5	16.6	0.9
Tuan Sing	378.5	11.3	1.3	1.3	18.0	0.9
SingHaiyi	338.7	19.6	0.7	0.7	18.1	0.4
CWG International	115.3	4.8	0.7	0.7	0.2	N.A. ⁽⁵⁾
Astaka Holdings	172.0	N.A. ⁽³⁾	4.0	4.0	N.A. ⁽⁴⁾	0.5
Pan Hong	96.0	4.1	0.3	0.3	7.1	0.1
Heeton	126.8	10.2	0.4	0.4	15.1	0.8
Hiap Hoe	338.8	7.5	0.5	0.5	8.4	0.5
Hwa Hong	222.1	33.9	1.1	1.1	24.5	0.2
LHN	71.6	3.9	1.0	1.0	2.8	n.m.
MYP	299.4	N.A. ⁽³⁾	0.8	0.8	170.8 ⁽⁶⁾	2.0
Sing Holdings	142.4	5.4	0.6	0.6	7.6	0.7
Top Global	62.0	N.A. ⁽³⁾	0.2	0.2	N.A. ⁽⁴⁾	0.1
Goodland	95.6	N.A. ⁽³⁾	0.5	0.5	37.4	0.5
Mean		11.4	0.9	0.9	14.2 ⁽⁶⁾	0.6
Median		8.8	0.6	0.6	15.1 ⁽⁶⁾	0.5
Max		33.9	4.0	4.0	37.4 ⁽⁶⁾	2.0
Min		3.9	0.2	0.2	0.2 ⁽⁶⁾	0.1
The Company (as implied by the Offer Consideration)		N.A. ⁽⁷⁾	0.8 ⁽⁸⁾ (P/NAV) 0.9 ⁽⁹⁾ (P/RNAV)	0.9 ⁽⁸⁾ (P/NTA) 1.1 ⁽⁹⁾ (P/RNTA)	37.7 ⁽⁷⁾	1.4 ⁽¹⁰⁾

Source: Bloomberg L.P., annual reports and/or announcements of the respective companies

Notes:–

“N.A.” – Not applicable and “n.m.” – Not meaningful

- (1) Based on the latest published full year profit attributable to owners of the company or trailing 12-month profit attributable to owners of the company, where applicable and available as at the Latest Practicable Date.

APPENDIX I – IFA LETTER

- (2) Based on the latest published full year EBITDA of the company or trailing 12-month EBITDA of the company, where applicable and available as at the Latest Practicable Date.
- (3) This multiple is not applicable as it reflects full year loss attributable to owners of the company or trailing 12-month loss attributable to owners of the company, as the case may be.
- (4) This multiple is not applicable as the company had negative full year EBITDA or negative trailing 12-month EBITDA as the case may be.
- (5) This multiple is not applicable as the company is in net cash position.
- (6) The EV/EBITDA of MYP, being an outlier, has been excluded from the computation.
- (7) Based on the Group's trailing 12-month loss attributable to equity holders of the Company of S\$28.8 million and trailing 12-month EBITDA of the Group of S\$12.8 million as at 30 September 2016, after excluding one-off items, namely (i) gain on deconsolidation of subsidiaries of S\$13.3 million; (ii) guarantee fee income of S\$1.9 million; and (iii) profit guarantee income of S\$0.7 million. The trailing 12-month loss attributable to equity holders of the Company and trailing 12-month EBITDA is computed based on 9MFY2016 financial results and financial results for the fourth quarter of FY2015 as set out in the Company's unaudited FY2015 results announcement. We wish to highlight that the Company had announced on 6 June 2016 that there were material differences between the unaudited financial statements for FY2015 and its finalised consolidated financial statements for FY2015.
- (8) Based on the Group's NAV or NTA as at 30 September 2016, as the case may be.
- (9) Based on the Group's RNAV or RNTA as at 30 September 2016 as computed in section 9.3 above, as the case may be.
- (10) Based on the Group's Net Gearing as at 30 September 2016.

Comparison of PER

We note that the Group recorded a loss attributable to equity holders of the Company for the trailing 12-month period as at 30 September 2016, after excluding one-off items which amounted to S\$15.9 million in aggregate. Accordingly, no comparison of PER was made as it would not be meaningful.

Comparison of P/NAV, P/RNAV, P/NTA and P/RNTA ratios

We note that the P/NAV ratio of the Company of 0.8 time, as implied by the Offer Price, is within the range of the P/NAV ratios of the Property-Related Comparable Companies, and higher than the median P/NAV ratio but lower than the mean P/NAV ratio. We note that the P/RNAV ratio of the Company of 0.9 time, as implied by the Offer Price, is within the range of the P/NAV ratios of the Property-Related Comparable Companies, and higher than the median P/NAV ratio and equal to the mean P/NAV ratio.

We note that the P/NTA ratio of the Company of 0.9 time, as implied by the Offer Price, is within the range of the P/NTA ratios of the Property-Related Comparable Companies, and higher than the median P/NTA ratio and equal to the mean P/NTA ratio. We note that the P/RNTA ratio of the Company of 1.1 times, as implied by the Offer Price, is within the range of the P/NTA ratios of the Property-Related Comparable Companies, and higher than the mean and median P/NTA ratios.

APPENDIX I – IFA LETTER

Comparison of EV/EBITDA ratios

We note that the EV/EBITDA ratio of the Company of 37.7 times, as implied by the Offer Price, is higher than the range of the EV/EBITDA ratios of the Property-Related Comparable Companies.

Comparison of Net Gearing ratios

We note that the Net Gearing ratio of the Company of 1.4 times is within the range of the Net Gearing ratios of the Property-Related Comparable Companies, and higher than the median and mean Net Gearing ratios.

9.5 Comparison with precedent take-over transactions on the SGX-ST

We note that it is the intention of the Offeror to maintain the listing status of the Company on the SGX-ST. For the purpose of our evaluation of the financial terms of the Offer, we have compared the valuation statistics implied by the Offer Price vis-a-vis those in respect of selected recent completed take-overs for companies listed on the SGX-ST which were announced in the 24-month period prior to the Offer Announcement where the offeror's intentions to preserve the listing status of the target companies (collectively, the **"Selected Comparable Transactions"**) were indicated.

We wish to highlight that the list of target companies set out under the Selected Comparable Transactions may not be directly comparable with the Company in terms of market capitalisation, size of operations, business activities, accounting policies, financial performance, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits.

We also wish to highlight that the list of Selected Comparable Transactions is by no means exhaustive and has been compiled based on publicly available information as at the Latest Practicable Date.

The premium (if any) that an offeror would pay in respect of any particular takeover depends on various factors, *inter alia*, the offeror's intention with regard to the target company, the potential synergy that the offeror can derive from acquiring the target company, the presence of competing bids for the target company, prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets as well as existing and desired level of control in the target company. Therefore, the comparison of the Offer with the Selected Comparable Transactions set out below is for illustrative purposes only. Conclusions drawn from the comparisons made may not reflect the perceived market valuation of the Company.

APPENDIX I – IFA LETTER

Companies	Date of announcement	Type ⁽¹³⁾	Premium/(Discount) of Offer Price over				Price-to-NTA (times)
			Last transacted market price prior to announcement (%)	VWAP for the 1-month period prior to announcement (%)	VWAP for the 3-month period prior to announcement (%)	VWAP for the 6-month period prior to announcement (%)	
IPC Corporation Ltd	1-Apr-15	MGO	2.4	4.5	5.5	7.4	0.7 ⁽¹⁾
Jasper Investments Limited	18-Sep-15	MGO	(93.3)	(93.1)	(96.6)	(96.4)	n.m. ⁽²⁾
Novo Group Ltd	24-Sep-15	MGO	161.5	188.1	151.9	163.6	5.2 ⁽³⁾
Jacks International Limited	6-Oct-15	MGO	90.5	103.5	103.5	121.8	1.9 ⁽⁴⁾
Starland Holdings Limited	14-Oct-15	MGO	25.5	45.7	60.5	73.5	0.5 ⁽⁵⁾
Abundance International Limited	24-Mar-16	MGO	72.4	65.6	67.2	40.4	1.3 ⁽⁶⁾
Ellipsiz Ltd	7-Jul-16	MGO	1.6	5.0	8.0	14.5	0.7 ⁽⁷⁾
Halcyon Agri Corporation Limited	18-Jul-16	MGO	24.0 ⁽⁸⁾ 18.1 ⁽⁹⁾	51.7 ⁽⁸⁾ 12.8 ⁽⁹⁾	28.5 ⁽⁸⁾ 8.0 ⁽⁹⁾	8.1 ⁽⁸⁾ 16.7 ⁽⁹⁾	3.3 3.3
Max			161.5	188.1	151.9	163.6	5.2
Min			(93.3)	(93.1)	(96.6)	(96.4)	0.5
Mean			33.5 ⁽¹⁰⁾	41.3 ⁽¹⁰⁾	40.2 ⁽¹⁰⁾	40.3 ⁽¹⁰⁾	1.7 ⁽¹⁰⁾
Median			24.0	45.7	28.5	16.7	1.6
The Company (as implied by the Offer Consideration)			0.0	14.0	20.5	32.5	0.9 ⁽¹¹⁾ (P/NTA) 1.1 ⁽¹²⁾ (P/RNTA)

Source: Circulars to shareholders in relation to the respective transactions

Notes:–

- (1) Based on the revalued NAV per share of S\$0.2498 as at 31 December 2014.
- (2) n.m. – Not meaningful as the company was in a net liabilities position as at 30 June 2015.
- (3) Based on the revalued NAV per share of US\$0.093 as at 31 July 2015.
- (4) Based on the NTA per share of S\$0.42 as at 31 July 2015.
- (5) Based on the revalued NAV per share of S\$0.506 as at 30 September 2015.
- (6) Based on the NTA per share of S\$0.0373 as at 31 December 2015.
- (7) Based on the NTA per share of S\$0.518 as at 30 June 2016.
- (8) Based on prices of the shares of Halcyon Agri Corporation Limited (“**Halcyon Agri**”) prior to and including 8 September 2015, being the last full market day prior to Halcyon Agri’s announcement on 9 September 2015 that it was then in confidential discussions with certain parties regarding a potential strategic transaction.

APPENDIX I – IFA LETTER

- (9) Based on prices of the shares of Halcyon Agri prior to and including 11 January 2016, being the last full market day prior to the SGX-ST queries on 12 January 2016 following which Halcyon Agri announced a trading halt and subsequently announced on 15 January 2016 that it was in discussions with Sinochem International Corporation (“Sinochem”) over the possibility of a potential strategic transaction involving the combination of Halcyon Agri and its subsidiaries, Sinochem’s interests in GMG Global Ltd and certain rubber-related assets of Sinochem, as well as the possibility of Sinochem purchasing a controlling interest in Halcyon Agri.
- (10) Based on the trimmed mean whereby the highest and lowest values for each parameter have been discarded to account for the effect of outliers.
- (11) Based on the Group’s NTA as at 30 September 2016.
- (12) Based on the Group’s RNTA as at 30 September 2016 as computed in section 9.3 above.
- (13) MGO – Mandatory General Offer.

Based on the above, we note the following:–

- (a) There is no premium or discount represented by the Offer Price over the last transacted price of the Shares prior to the Offer Announcement Date. This is (i) within the range of the corresponding premia of the Selected Comparable Transactions; but (ii) lower than the mean and median premia;
- (b) The premium of 14.0% represented by the Offer Price over the 1-month VWAP of the Shares prior to the Offer Announcement Date is (i) within the range of the corresponding premia of the Selected Comparable Transactions; but (ii) lower than the mean and median premia;
- (c) The premium of 20.5% represented by the Offer Price over the 3-month VWAP of the Shares prior to the Offer Announcement Date is (i) within the range of the corresponding premia of the Selected Comparable Transactions; but (ii) lower than the mean and median premia;
- (d) The premium of 32.5% represented by the Offer Price over the 6-month VWAP of the Shares prior to the Offer Announcement Date is (i) within the range of the corresponding premia of the Selected Comparable Transactions; (ii) higher than the median; but (iii) lower than the mean premia;
- (e) The P/NTA ratio of the Company of 0.9 time, as implied by the Offer Price, is (i) within the range of P/NTA ratios of the Selected Comparable Transactions; but (ii) lower than the mean and median P/NTA ratios; and
- (f) The P/RNTA ratio of the Company of 1.1 times, as implied by the Offer Price, is (i) within the range of P/NTA ratios of the Selected Comparable Transactions; but (ii) lower than the mean and median P/NTA ratios.

9.6 Dividend record of the Group

The Company was listed on the Catalist on 8 July 2013. Since its listing, the Company has not declared any dividends.

APPENDIX I – IFA LETTER

10. OTHER RELEVANT CONSIDERATIONS

10.1 Listing status of the Company

As set out in section 7 of the Offer Document, the Offeror's present intention is to maintain the listing status of the Company. However, in the event the Free Float Requirement is not satisfied at the close of the Offer, the Offeror will assess the options available to the Offeror and the Company at that time. Accordingly, there is no assurance that the Offeror will take steps to preserve the listing status of the Company on the SGX-ST in the event the Free Float Requirement is not satisfied at the close of the Offer.

10.2 Compulsory acquisition

As stated above, the Offeror's present intention is to maintain the listing status of the Company. However, if the Offeror receives acceptances pursuant to the Offer in respect of not less than 90% of the total number of Offer Shares in issue as at the close of the Offer (other than those already held by the Offeror, its related companies and their respective nominees as at 2 March 2017, being the date of despatch of the Offer Document), the Offeror will then consider whether or not to exercise its rights of compulsory acquisition under Section 215(1) of the Act to acquire those Offer Shares not acquired by the Offeror pursuant to the Offer.

10.3 OUE offers potential synergistic value

The Offeror's parent, OUE, is a company listed on the Main Board of the SGX-ST. It is a diversified real estate owner, developer and operator, namely in the commercial, hospitality, retail, and residential property segments. In addition, it has OUE Hospitality Real Estate Investment Trust and OUE Commercial Real Estate Investment Trust as its portfolio of investments in listed entities. Based on its unaudited financial statements as at 31 December 2016, the OUE Group has a net asset of S\$4.6 billion and a profit after tax of S\$177.1 million. As at the Latest Practicable Date, it has a market capitalisation of approximately S\$1.9 billion.

Furthermore, OUE is a member of the Lippo group of companies which is controlled by its executive chairman, Dr. Stephen Riady, and other members of his family (the "**Lippo Group**"). The Lippo Group has indirect shareholding interests in PT Siloam International Hospitals Tbk, a hospital operator in Indonesia which is listed on the Indonesia Stock Exchange. Based on the PT Lippo Karawaci Tbk 2016 annual report, PT Lippo Karawaci Tbk (in which the Lippo Group has an approximate 19.2% shareholding interests) holds an approximate 62.1% equity stake in PT Siloam International Hospitals Tbk. As such, OUE may be able to tap on Lippo Group's resources, including financial and human capital, to augment the operations of the Group. There may be certain synergistic value between OUE's property development and investment operations and those of the Group, which may be beneficial to the Group's future operations. There is, however, no assurance that any synergistic benefits will materialise.

10.4 Mandatory unconditional general cash offer

The Offer is made by the Offeror in compliance with Rule 14 of the Code because the Offeror, together with parties acting in concert with it, held an aggregate of 955,674,037 Shares (representing approximately 57.60% of all the issued Shares) following completion of the Acquisition. The Offer is unconditional in all respects.

APPENDIX I – IFA LETTER

10.5 No alternative offer from third parties

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer, no alternative offer from any third party has been received. We also note that there is no publicly available evidence of any alternative offer for the Shares from any third party. The likelihood of a competing offer from any third party is also unlikely given that the Offer is unconditional in all respects and the Offeror has secured more than 50% of all the issued Shares of the Company.

10.6 Litigation and arbitration involving the Group

We note that, as at the Latest Practicable Date, the Group has been engaged or is currently engaged in material litigation or arbitration proceedings. Please refer to the Company's SGXNet announcements dated 3 May 2016, 8 August 2016, 15 August 2016, 16 September 2016, 13 October 2016, 21 October 2016, 14 November 2016, 24 November 2016, 15 December 2016, 27 January 2017, 8 February 2017 and 22 February 2017, as set out in Appendix IV to the Circular.

10.7 Recent changes in the Board of Directors of the Company

On 5 September 2016 and 31 October 2016, the Company announced that it received requisition letters from certain Shareholders to consider ordinary resolutions involving the proposed removal of certain directors of the Company and appointment of certain other persons to be directors of the Company. The extraordinary general meeting originally scheduled on 28 December 2016 (via the October Requisition Letter) was cancelled and a new extraordinary general meeting was called to be held on 23 January 2017, where all the then directors were removed and directors on the Current Board were appointed.

On 24 January 2017, an Interim Transition Committee was formed to prepare a report to the board of the Company on its financial position, business and operational status, status of legal proceedings commenced by and against the Company as well as any other issues or areas of concern. On 8 February 2017, the Company announced, among others, actions against a certain past director as well as claims and/or demands received by the Company.

These recent events affecting the Board of Directors of the Company may create uncertainties as to the future performance and stability of the Group. Nevertheless, it is envisaged that the Offeror, having obtained control of the Company, is likely to take steps to stabilise the operations of the Group and may appoint new directors to the board. We note that OUE had nominated the appointment of Dr. Wong Weng Hong as the Chief Executive Officer of the Group, and the Current Board had approved such appointment with effect from 8 March 2017.

10.8 Financial condition of the Group

We note that the Company's previous auditors, PwC, had issued a Disclaimer of Opinion in respect of the Group's financial statements for FY2015. Please refer to section 9.2 of this IFA Letter for further information on the Disclaimer of Opinion.

We note that the Group recorded a profit attributable to equity holders of the Company of S\$9.3 million for 9MFY2016. After excluding one-off items, namely, (i) gain on deconsolidation of subsidiaries of S\$13.3 million; (ii) guarantee fee income of S\$1.1 million;

APPENDIX I – IFA LETTER

and (iii) profit guarantee income of approximately S\$67,000, the Group would have recorded a loss attributable to equity holders of the Company of S\$5.2 million for the 9MFY2016.

The Group recorded negative operating cash flows of S\$8.8 million for 9MFY2016 and negative working capital, being current assets less current liabilities, of S\$5.0 million as at 30 September 2016.

We also note the following commentary set out in the announcement of the Group's unaudited financial results for 9MFY2016 that:–

“Notwithstanding that the Group had a negative working capital of S\$5.0 million as at 30 September 2016, the net asset value of the Group as at 30 September 2016 has increased to S\$223.7 million (31 December 2015: S\$207.6 million). As such, the Group will continue its efforts to look for opportunities to monetise its non-current assets and for fund raising activities to strengthen its liquidity position and to continue its focus in developing its medical services business through acquisitions of healthcare operating businesses, as appropriate.”

We note from the following commentary set out in the announcement of the Company dated 16 September 2016 that the Company had acted on its intent to monetise its non-current assets as stated in the aforesaid commentary:–

*“Prior to the appointment of receivers and managers by Westpac and NAB (the “**Westpac Receivers**” and the “**NAB Receivers**” respectively) over the Australian Properties, the Company’s negotiations for the sale of the two St Kilda Road properties to two separate independent third parties were at advanced stages.”*

Subsequently, the Company was informed by the Westpac Receivers (as defined above) that the two St Kilda Road properties in Australia (the “**St Kilda Australian Properties**”) under the Deconsolidated Subsidiaries, have been sold as at the Latest Practicable Date. Pending the outcome of the legal proceedings (as mentioned under section 10.6 of this IFA Letter), the balance of the proceeds from the sale of the Australian Properties (after deducting relevant agreed payments, fees and undisputed outstanding liabilities) are to be deposited with a prime international bank. We understand from the Directors and the Management that the estimated Sale Surplus from the sale of the Australian Properties is approximately S\$47.2 million (assuming that the third Australian Property has been sold and the disputed sum owing to the Funds need not be paid as there are no merits to the claims by the Funds in the opinion of the Current Board). The Company has informed that the Sale Surplus will be applied to offset the Outstanding Loan (as defined under section 9.3 of this IFA Letter) and accordingly, there will not be an impact on the NAV and/or NTA of the Group.

We note that in the report by FTI Consulting as announced by the Company on 8 February 2017, FTI Consulting concluded that the Company and its subsidiaries have sufficient assets to cover its liabilities in the short term, and based on their analysis, as at 31 December 2016, the Group’s total assets exceeded its total liabilities by S\$169.9 million.

APPENDIX I – IFA LETTER

We note that the Company had, on several occasions in February 2017, announced, *inter alia*, the following:–

- (a) Claims and/or demands received by the Group from its creditors; and
- (b) Potential going concern issues arising from the fact that a change in shareholding event had occurred under the MTNs and noteholders are entitled at their option to redeem their MTNs in the manner provided for under the trust deed dated 23 January 2015.

In view of the Company's financial situation, the Company approached OUE, and in response thereto, OUE issued the Comfort Letter to the Company on 17 February 2017. In connection with the foregoing, the Company entered into a loan agreement with the Offeror on 24 February 2017, pursuant to which the Offeror agreed to lend the Company the OUE Loan of up to an aggregate amount of S\$50 million for the Company's working capital requirements and/or day-to-day operations. We note that the OUE Loan may precipitate the requirement for the Company to undertake further capital raising exercise for the repayment of this loan and/or to strengthen the finances of the Company, which may be dilutive in nature to existing Shareholders.

11. OUR RECOMMENDATIONS

In arriving at our recommendations in respect of the Offer, we have taken into consideration, *inter alia*, the following factors summarised below. The factors set out herein should be considered in the context of the entirety of this IFA Letter and the Circular:–

- (a) market quotation and trading liquidity of the Shares;
- (b) financial performance and financial position of the Group;
- (c) asset-based valuation of the Group;
- (d) comparison with the valuation statistics of selected listed companies which are broadly comparable to the Group;
- (e) comparison with precedent take-over transactions on the SGX-ST;
- (f) dividend record of the Group; and
- (g) other relevant considerations.

We set out below a summary of the factors we have taken into our consideration:–

- (a) As at 14 February 2017, being the last traded day prior to the Offer Announcement Date, the Shares has traded at or close to the Offer Price. The Offeror and/its concert parties have been purchasing Shares from the market at the Offer Price during the period after the Offer Announcement Date and up to the Latest Practicable Date. Since the Offer Announcement Date and up to the Latest Practicable Date, the Shares have traded at levels close to the Offer Price or at the Offer Price. It appears that the on-market purchases of Shares by the Offeror and/or its concert parties at the Offer

APPENDIX I – IFA LETTER

Price after the Offer Announcement Date, and the Offer may be supporting the current market price of the Shares and there is no assurance that the market price of the Shares will be maintained at the prevailing level after the close of the Offer;

- (b) The Offer Price represents a premium of 37.7%, 32.5%, 20.5% and 14.0% to the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date respectively;
- (c) The average daily traded volume of the Shares for the 12-month period prior to the Offer Announcement Date and for the period after the Offer Announcement Date and up to the Latest Practicable Date represented between 0.92% and 12.81% of the Company's free float. Had the Shares purchased by the Offeror and/or its concert parties from the market been excluded, the average daily traded volume as a percentage of free float for the period after the Offer Announcement Date and up to the Latest Practicable Date was 1.90%;
- (d) The Offer Price represents a discount of 21.6% and 7.0% to the NAV per Share and NTA per Share as at 30 September 2016, respectively;
- (e) The Offer Price represents a discount of 8.9% to the RNAV per Share and a premium of 11.5% to the RNTA per Share as at 30 September 2016;
- (f) The Group recorded a loss attributable to equity holders of the Company for the trailing 12-month period as at 30 September 2016, after excluding one-off items which amounted to S\$15.9 million in aggregate. Accordingly, no meaningful comparison of PER could be made with the Healthcare Comparable Companies and the Property-Related Comparable Companies;
- (g) Approximately 77.3% of the Group's total assets as at 30 September 2016 comprised investment properties and investment properties under development, and rental income constituted approximately 36.5%, 44.5%, 40.9% and 46.2% of the Group's revenue for FY2013, FY2014, FY2015 and 9MFY2016 respectively. Accordingly, Shareholders may wish to allocate greater weight to the comparison with valuation statistics of Property-Related Comparable Companies over those of Healthcare Comparable Companies;
- (h) The P/NAV ratio of the Company, as implied by the Offer Price, is within the range of the P/NAV ratios of the Healthcare Comparable Companies, but is lower than the mean and median P/NAV ratios;
- (i) The P/RNAV ratio of the Company, as implied by the Offer Price, is within the range of the P/NAV ratios of the Healthcare Comparable Companies, but is lower than the mean and median P/NAV ratios;
- (j) The P/NTA ratio of the Company, as implied by the Offer Price, is lower than the range of the P/NTA ratios of the Healthcare Comparable Companies;

APPENDIX I – IFA LETTER

- (k) The P/RNTA ratio of the Company, as implied by the Offer Price, is lower than the range of the P/NTA ratios of the Healthcare Comparable Companies;
- (l) The EV/EBITDA ratio of the Company, as implied by the Offer Price, is within the range of the EV/EBITDA ratios of the Healthcare Comparable Companies, and is higher than the mean and median EV/EBITDA ratios;
- (m) The Net Gearing ratio of the Company is higher than that of two of the Healthcare Comparable Companies which had a Net Gearing ratio of 0.1 time and 0.3 time respectively. The remaining Healthcare Comparable Companies had a net cash position;
- (n) The P/NAV ratio of the Company, as implied by the Offer Price, is within the range of the P/NAV ratios of the Property-Related Comparable Companies. It is higher than the median P/NAV ratio but lower than the mean P/NAV ratio of the Property-Related Comparable Companies;
- (o) The P/RNAV ratio of the Company, as implied by the Offer Price, is within the range of the P/NAV ratios of the Property-Related Comparable Companies, and higher than the median P/NAV ratio and equal to the mean P/NAV ratio;
- (p) The P/NTA ratio of the Company, as implied by the Offer Price, is within the range of the P/NTA ratios of the Property-Related Comparable Companies. It is higher than the median P/NTA ratio and equal to the mean P/NTA ratio of the Property-Related Comparable Companies;
- (q) The P/RNTA ratio of the Company, as implied by the Offer Price, is within the range of the P/NTA ratios of the Property-Related Comparable Companies, and higher than the mean and median P/NTA ratios;
- (r) The EV/EBITDA ratio of the Company, as implied by the Offer Price, is higher than the range of the EV/EBITDA ratios of the Property-Related Comparable Companies;
- (s) The Net Gearing ratio of the Company is within the range of Net Gearing ratios of the Property-Related Comparable Companies, and higher than the median and mean Net Gearing ratios;
- (t) The premia implied by the Offer Price against the 3-month VWAP, 1-month VWAP and the last transacted price of the Shares prior to the Offer Announcement Date are within the range of the corresponding premia of the Selected Comparable Transactions, but are lower than the mean and median premia. The premia implied by the Offer Price against the 6-month VWAP prior to the Offer Announcement Date is within the range of the corresponding premia of the Selected Comparable Transactions, and higher than the median, but lower than the mean premia;
- (u) The P/NTA ratio of the Company, as implied by the Offer Price, is within the range of the P/NTA ratios of the Selected Comparable Transactions but lower than the mean and median P/NTA ratios;

APPENDIX I – IFA LETTER

- (v) The P/RNTA ratio of the Company, as implied by the Offer Price, is within the range of the P/NTA ratios of the Selected Comparable Transactions but lower than the mean and median P/NTA ratios;
- (w) The Company has not declared any dividends since its listing on 8 July 2013. We understand from the Company that it does not have a fixed dividend policy. There can be no assurance that the Company will pay dividends in the future or of the amount or timing of any dividends that may be paid in the future; and
- (x) Other relevant considerations as set out in section 10 of this IFA Letter.

Based on our analysis, and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that the financial terms of the Offer are, on balance, fair and reasonable.

Accordingly, we advise the Independent Directors to recommend Shareholders to ACCEPT the Offer or sell their Shares in the open market if they can obtain a price higher than the Offer Price after deducting all related expenses. The Offer Price offers Shareholders an exit opportunity and there is no certainty that Shareholders will otherwise be able to obtain a better value for their Shares if the Offer lapses.

Shareholders should note that the trading of the Shares are subject to, *inter alia*, the performance and prospects of the Group, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, the advice by ZICO Capital on the Offer does not and cannot take into account future trading activities or patterns or price levels that may be established for the Shares after the Latest Practicable Date since these are governed by factors beyond the ambit of ZICO Capital's review and also, such advice, if given, would not fall within ZICO Capital's term of reference in connection with the Offer.

ZICO Capital had relied on, *inter alia*, the financial statements of the Group for FY2015 and for 9MFY2016 in its assessment of the financial terms of the Offer. Shareholders should note that PwC had issued a Disclaimer of Opinion in respect of the Group's financial statements for FY2015. Nevertheless, the Previous Board had provided the Responses to Disclaimer of Opinion, as set out in the annual report of the Company for FY2015 under "Letter to Shareholders". ZICO Capital has relied on the Group's financial statements for FY2015 and 9MFY2016 as they stand, on the basis of the Responses to Disclaimer of Opinion and the confirmation of the Current Board that they are in agreement with the Responses to Disclaimer of Opinion, based on the best of their knowledge and belief as at the Latest Practicable Date. ZICO Capital has not independently examined or verified the bases for the Responses to Disclaimer of Opinion or the aforementioned confirmation of the Current Board (which are outside the scope of its Terms of Reference), and accordingly, ZICO Capital does not express any views on the reasonableness or adequacy of the Responses to Disclaimer of Opinion or the aforementioned confirmation of the Current Board.

In rendering the above advice, ZICO Capital has not had regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise that any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately. The Independent Directors should advise Shareholders that the opinion and advice of ZICO Capital should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

APPENDIX I – IFA LETTER

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Offer, but any recommendations made by the Independent Directors in respect of the Offer shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any purposes (other than for the consideration of the Offer) at any time and in any manner without the prior written consent of ZICO Capital.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
ZICO Capital Pte. Ltd.

Alex Tan
Chief Executive Officer

Karen Soh
Managing Director

APPENDIX II – ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are as follows:

Name	Address	Description
Tay Eng Kiat, Jackson	c/o International Healthway Corporation Limited 2 Leng Kee Road, #02-07 Thye Hong Centre, Singapore 159086	Independent Director
Tan Chade Phang, Roger	c/o International Healthway Corporation Limited 2 Leng Kee Road, #02-07 Thye Hong Centre, Singapore 159086	Independent Director
Sho Kian Hin, Eric	c/o International Healthway Corporation Limited 2 Leng Kee Road, #02-07 Thye Hong Centre, Singapore 159086	Independent Director

2. REGISTERED OFFICE

The registered office of the Company is at 2 Leng Kee Road, #02-07 Thye Hong Centre, Singapore 159086.

3. HISTORY AND PRINCIPAL ACTIVITIES

The Company was incorporated in the Republic of Singapore, and its Shares are listed on the Catalist Board of the SGX-ST.

The Company is principally engaged in investment holding. Its subsidiaries' principal activities consist of two business segments, one segment being the provision of healthcare services through the management and operation of hospitals, trading and supplying of pharmaceutical supplies and drugs, and the rental of healthcare-related facilities, and the other segment being the development of medical real estate (such as hospital facilities), healthcare-related assets (such as nursing homes) and integrated mixed-use developments with medical real estate or healthcare-related assets, retail space, office and/or service residences.

4. SHARE CAPITAL

4.1 Issued Share Capital

The Company has one class of shares, being ordinary shares, which carry equal ranking rights to dividend, voting at general meetings and return of capital. As at the Latest Practicable Date, the issued and paid-up share capital of the Company is S\$192,706,969 comprising 1,659,064,603 Shares. As at the Latest Practicable Date, the Company does not hold any treasury Shares.

APPENDIX II – ADDITIONAL GENERAL INFORMATION

4.2 Capital, dividends and voting rights

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution, which are available for inspection at the registered office of the Company at 2 Leng Kee Road #02-07 Thye Hong Centre Singapore 159086.

The relevant provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been extracted and reproduced in **Appendix V** to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

4.3 Number of Shares issued since the end of the last financial year

As at the Latest Practicable Date, there has been no issue of new Shares by the Company since 31 December 2016, being the end of the last financial year.

4.4 Convertible Instruments

As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities being offered for or which carry voting rights affecting any Shares.

4.5 Aggregate shareholdings of the Offeror

Based on the announcement released by Standard Chartered Bank and Credit Suisse (Singapore) Limited for and on behalf of the Offeror on 7 March 2017, as at 5.00 p.m. on 7 March 2017, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and parties acting or presumed to be acting in concert with it; and (b) valid acceptances of the Offer, amount to an aggregate of 1,069,454,633 Shares, representing approximately 64.46% of all the issued Shares.

5. DISCLOSURE OF INTERESTS

5.1 Interests of the Company in Offeror Securities

The Company does not have any direct or deemed interests in the Offeror Securities as at the Latest Practicable Date.

5.2 Dealings by the Company in Offeror Securities

The Company has not dealt for value in the Offeror Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

5.3 Interests of the Directors in Offeror Securities

None of the Directors has any direct or deemed interests in the Offeror Securities as at the Latest Practicable Date.

APPENDIX II – ADDITIONAL GENERAL INFORMATION

5.4 Dealings by the Directors in Offeror Securities

None of the Directors has dealt for value in the Offeror Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

5.5 Interests of the Directors in Company Securities

As at the Latest Practicable Date, none of the Directors has any direct or deemed interests in the Company Securities.

5.6 Dealings by the Directors in Company Securities

None of the Directors has dealt for value in the Company Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

5.7 Interests of the IFA in Company Securities

Neither the IFA nor any funds whose investments are managed by the IFA on a discretionary basis has any direct or deemed interests in the Company Securities as at the Latest Practicable Date.

5.8 Dealings by the IFA in Company Securities

Neither the IFA nor any funds whose investments are managed by the IFA on a discretionary basis has dealt for value in the Company Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

6. OTHER DISCLOSURES

6.1 Directors' service contracts

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and
- (b) there are no such contracts entered into or amended during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

6.2 Arrangements affecting Directors

- (a) As at the Latest Practicable Date, it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act (Chapter 50) of Singapore deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer.

APPENDIX II – ADDITIONAL GENERAL INFORMATION

- (b) Save as otherwise disclosed in this Circular, as at the Latest Practicable Date, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer.
- (c) As at the Latest Practicable Date, none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

7. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Save as disclosed below and in publicly available information on the Group, neither the Company nor its subsidiaries has entered into material contracts (not being a contract entered into in the ordinary course of business) with persons who are Interested Persons during the period beginning three (3) years before the Offer Announcement Date, and ending on the Latest Practicable Date.

Date of Contract	Names of parties	Description	Consideration
1 February 2016	Fan Kow Hin	Advisory Service Agreement	\$0.24 million
1 October 2015	Dr Jong Hee Sen	Advisory Service Agreement	\$0.36 million
15 January 2014	IHC Shanghai Medical Village Pte. Ltd. and its subsidiaries, IHC Apex Limited, IHC Medical Holding (HK) Limited and Kang Hui Maternity Centre Services (Shanghai) Co., Ltd.	Acquisition of entire equity interest	\$8.79 million

8. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in the Company's SGXNET announcements dated 3 May 2016, 8 August 2016, 15 August 2016, 16 September 2016, 13 October 2016, 21 October 2016, 14 November 2016, 24 November 2016, 15 December 2016, 27 January 2017, 8 February 2017 and 22 February 2017, as set out in **Appendix IV** to this Circular, neither the Company nor its subsidiaries are engaged in any material litigation or arbitration proceedings, either as plaintiff or defendant, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole.

As at the Latest Practicable Date, save as disclosed above, the Directors are not aware of any litigation, claims or proceedings pending or threatened against the Company or any of its subsidiaries or of any facts likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole.

APPENDIX II – ADDITIONAL GENERAL INFORMATION

9. FINANCIAL INFORMATION

9.1 Consolidated Income Statements

The audited consolidated income statements of the Group for FY2013, FY2014, FY2015 and the unaudited consolidated income statement for the third quarter financial period ended 30 September 2016 (“9M2016”) are summarised in the table below. The summary is extracted from, and should be read together with, the annual reports and the consolidated financial statements of the Group for the relevant financial periods and the related notes thereto. The copies of these annual reports and financial statements are available for inspection at the Company’s registered office at 2 Leng Kee Road, #02-07 Thye Hong Centre, Singapore 159086 during normal business hours for the period during which the Offer remains open for acceptance and are available on the website of the SGX-ST at www.sgx.com.

	FY2013 (Audited) S\$’000	FY2014 (Audited) S\$’000	FY2015 (Audited) S\$’000	Q32016 (Unaudited) S\$’000
Revenue	31,315	35,438	45,004	38,418
Cost of sales	(16,381)	(17,011)	(23,974)	(20,378)
Gross profit	14,934	18,427	21,030	18,040
Other income	4,817	9,765	13,267	18,132
Fair value gains on investment properties and investment properties under development	53,530	42,474	65,838	–
Other (losses)/gains	(596)	398	(22,987)	–
Administrative expenses	(12,994)	(12,253)	(35,938)	(8,653)
Finance expenses	(8,250)	(19,010)	(26,183)	(17,989)
Profit before tax	51,441	39,801	15,027	9,530
Income tax expense	(6,892)	(8,445)	(14,561)	(193)
Profit after tax	44,549	31,356	466	9,337
Profit attributable to:				
Equity holders of the Company	44,470	31,244	368	9,342
Non-controlling interests	79	112	98	(5)
	44,549	31,356	466	9,337
Earnings Per Share attributable to equity holders of the Company				
Basic earnings per share (cents)	2.94	1.92	0.02	0.56
Diluted earnings per share (cents)	2.94	1.90	0.02	0.56
Dividend per share	–	–	–	–

9.2 Consolidated Balance Sheets

The audited consolidated balance sheet of the Group as at 31 December 2015 and the unaudited consolidated statement of financial position as at 30 September 2016 are summarised in the table below. The summary is extracted from, and should be read together with, the annual report and the consolidated financial statements of the Group for the relevant financial periods and the related notes thereto. The copies of these annual

APPENDIX II – ADDITIONAL GENERAL INFORMATION

report and financial statements are available for inspection at the Company's registered office at 2 Leng Kee Road, #02-07 Thye Hong Centre, Singapore 159086 during normal business hours for the period during which the Offer remains open for acceptance and are available on the website of the SGX-ST at www.sgx.com.

	31 December 2015 (Audited) S\$'000	30 September 2016 (Unaudited) S\$'000
ASSETS		
Current assets		
Cash and cash equivalents	25,751	15,897
Trade and other receivables	13,992	69,274
Other current assets	1,839	2,101
Inventories	911	1,198
	<u>42,493</u>	<u>88,470</u>
Non-current assets		
Intangible assets	38,318	35,212
Lease prepayments	6,531	5,902
Investment properties	397,942	322,143
Investment properties under development	146,966	146,783
Property, plant and equipment	7,040	7,738
Other receivables	551	–
	<u>597,348</u>	<u>517,778</u>
Total assets	639,841	606,248
LIABILITIES		
Current liabilities		
Trade and other payables	21,878	18,095
Borrowings	231,470	74,058
Income tax liabilities	1,770	1,312
	<u>255,118</u>	<u>93,465</u>
Non-current liabilities		
Trade and other payables	7,258	8,327
Borrowings	139,720	249,934
Deferred tax liabilities	30,122	30,803
	<u>177,100</u>	<u>289,064</u>
Total liabilities	432,218	382,529
NET ASSETS	207,623	223,719
EQUITY		
Share capital	192,707	192,707
Currency translation reserve	(3,794)	2,960
Merger reserve	(65,742)	(65,742)
Asset revaluation reserve	3,630	3,630
Statutory surplus reserve	327	327
Retained earnings/(Accumulated losses)	81,124	90,466
	<u>208,252</u>	<u>224,348</u>
Non-controlling interests	(629)	(629)
Total equity	207,623	223,719

APPENDIX II – ADDITIONAL GENERAL INFORMATION

9.3 Significant Accounting Policies

The significant accounting policies of the Group which are disclosed in Note 2 to the audited consolidated financial statements of the Group for FY2015 are reproduced in **Appendix III** to this Circular.

9.4 Changes in Accounting Policies

As at the Latest Practicable Date, the Group has adopted all applicable new and revised Financial Reporting Standards and Interpretations of Financial Reporting Standards which became effective for accounting periods beginning on or after 1 January 2016. However, there has been no change in the accounting policies of the Group since the date of its audited consolidated financial statements for FY2015 which will cause the figures disclosed in this Circular not to be comparable to a material extent.

9.5 Material Changes in Financial Position

Save as disclosed in publicly available information on the Group, as at the Latest Practicable Date, there has been no known material change in the financial position of the Company since 31 December 2015, being the date of the Company's last published audited financial statements.

9.6 Material Changes in Information

Save as disclosed in this Circular and in publicly available information on the Group and the Offer, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

10. VALUATION ON SUBJECT PROPERTIES

The Company has commissioned independent valuations of the Subject Properties ("**Valuation Certificates**"). Copies of the Valuation Certificates are set out in **Appendix VI** to this Circular. Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of the valuation. Based on the Valuation Certificates, the potential tax liabilities that may be incurred by the Group on the hypothetical disposal of the Subject Properties at the amount of the valuation is approximately S\$28.7 million. The Company expects the aforesaid tax liabilities to crystallize as and when the Group disposes of its interests in these projects or when these projects are developed, sold and handed over to the purchasers.

11. GENERAL

- 11.1 All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.
- 11.2 The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name and all references thereto; and (ii) the IFA Letter containing its advice to the Directors in respect of the Offer as set out in **Appendix I** to this Circular and all references thereto, in the form and context in which they appear in this Circular.

APPENDIX II – ADDITIONAL GENERAL INFORMATION

- 11.3 Each of the Valuers has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name and all references thereto; and (ii) the respective Valuation Certificates as set out in **Appendix VI** to this Circular and all references thereto, in the form and context in which they appear in this Circular.

12. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 2 Leng Kee Road #02-07 Thye Hong Centre Singapore 159086 during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the Constitution;
- (b) the annual reports of the Company for FY2013, FY2014 and FY2015;
- (c) the unaudited consolidated financial statement of the Group for Q32016;
- (d) the IFA Letter as set out in **Appendix I** to this Circular;
- (e) the Valuation Certificates as set out in **Appendix VI** to this Circular;
- (f) the letter of consent from the IFA referred to in paragraph 11.2 to this **Appendix II** above; and
- (g) the letter of consent from each Valuer referred to in paragraph 11.3 to this **Appendix II** above.

APPENDIX III – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following has been extracted from Note 2 to the audited consolidated financial statements of the Group for FY2015 and reproduced below, save for the amended paragraph numbering. All terms and expressions used in the extract below shall have the same meanings as ascribed in the audited consolidated financial statements of the Group for FY2015.

Significant accounting policies

1. Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Going Concern

- (a) As at 31 December 2015, the Group’s current liabilities exceeded its current assets by approximately S\$212,625,000. Notwithstanding this, the financial statements have been prepared on a going concern basis in view of the following:
 - (i) Subsequent to the balance sheet date, the Group has successfully:
 - a. re-financed its TMK bonds (Note 24(c)) amounting to S\$151,223,000, extending the maturity date from April 2016 to April 2019; and
 - b. obtained additional long-term banking facilities of S\$8,200,000 maturing in April 2019.
 - (ii) The Group is in the midst of negotiating an extension of the maturity of S\$54,996,000 bank borrowings from August 2016. These bank borrowings are secured on a mortgage of two investment properties in Australia which have a total fair value of approximately S\$89,810,000 as at 31 December 2015. The management is of the view that in the event that the Group is not able to extend the maturity of the bank borrowings of S\$54,996,000 to a later date, the proceeds from the forced sale of these investment properties will be in excess of the amount required to settle all of the charges placed over these assets based on the information provided by an independent professional valuer.
- (b) The appropriateness of the going concern assumption is also dependent on:
 - (i) The Group’s compliance with certain externally imposed loan covenants, which includes covenants over the value of the consolidated shareholder’s equity, consolidated net debt to consolidated shareholder’s equity ratio, gearing ratio and interest coverage ratio. The Group’s compliance with these loan covenants is dependent on:
 - a. The validity of the fair value gains arising from the Group’s China properties (Note 3(a)) amounting to S\$46,004,000 for the financial year ended 31 December 2015, which are subject to certain critical estimates and assumptions as disclosed in Note 3(a) to the financial statements; and

APPENDIX III – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- b. The validity of the management's assumption that no material adjustments are required to be made to the financial statements for the financial year ended 31 December 2015 arising from the receivership action taken by the certain funds (Note 29(a)).

If either b(ia) or b(ib) is invalid, the Group would have breached the following covenants:

- Interest cover ratio (Earnings before interest, tax, depreciation and amortisation ("EBITDA") to interest expense) to be above 1.50
- The ratio of consolidated net debt to consolidated shareholders' equity to be below 1.75
- Gearing ratio (Total Debt to Tangible Networth) to be below 2.50
- Leverage ratio (Total Liabilities to Tangible Networth) to be below 2.50

If the Group and Company were to be in breach of these loan covenants, non-current borrowings of the Group and Company amounting to S\$121,687,000 and S\$97,808,000 will become payable immediately and be reclassified as current liabilities in the balance sheet of the Group and Company respectively.

- (ii) The validity of the management's assumption that the receivership action taken by the Funds (Note 29(a)) will not have a significant impact on the ongoing business operations of the Group.

Should the going concern assumption not be appropriate, adjustments will be made to reflect a situation where the assets may need to be realised other than in the normal course of business and at amounts which could be significantly different from the amounts stated in the balance sheet of the Group and Company. As a result, the Group and the Company may have to provide for further liabilities which may arise, and to classify the non-current assets and non-current liabilities to current assets and current liabilities respectively. The financial statements do not include the above potential adjustments that would result if the Company and the Group are unable to continue as going concerns.

Interpretations and amendments to published standards effective in 2015

On 1 January 2015, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

APPENDIX III – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years, except for the following:

FRS 108 Operating Segments

The Group has adopted the above amendment to FRS 108 on 1 January 2015. The amendment is applicable for annual period beginning on or after 1 July 2014. It sets out the required disclosures on the judgements made by management in aggregating operating segment. This includes description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segment assets to entity's assets when segment assets are reported. The Group has included the additional required disclosures in Note 33 of the financial statement.

2. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Rendering of services

Revenue from hospital and other healthcare services is recognised in the period in which the services are rendered.

(b) Sale of medicine and medical equipment

Revenue from the sale of medicine and medical equipment is recognised when the Group has delivered the medicine and medical equipment to its customers.

(c) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Guarantee fee income

Guarantee fee income is recognised when the right to receive payment is established.

APPENDIX III – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3. Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

4. Group accounting

Subsidiaries

(a) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(b) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

APPENDIX III – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired, is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

(c) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investment in subsidiaries" for the accounting policy on investment in subsidiaries in the separate financial statements of the Company.

(d) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

5. Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price, capitalized borrowing costs and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

APPENDIX III – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Buildings	35 – 40 years
Office renovation, furniture, fixtures and equipment	3 – 8 years
Medical equipment	8 years
Motor vehicles	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “other gains and losses”. Any amount in asset revaluation reserve relating to that item is transferred to retained profits directly.

6. Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on acquisitions of subsidiaries and businesses is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold.

(b) Acquired licenses

Licenses acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the profit or loss using the straight-line method over 5 years.

APPENDIX III – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

7. Lease prepayments

Lease prepayments represent prepaid operating lease payments for land use rights less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the prepaid operating lease payments for land use rights over a period of 50 years.

8. Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the investment properties under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

9. Investment properties and investment properties under development

Investment properties (including those under development) are held for long-term rental yields and/or for capital appreciation and land under operating leases that is held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment properties and investment properties under development only when there is a change in use. For a transfer from owner-occupied property to investment properties and investment properties under development, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of the transfer.

10. Investment in subsidiaries

Investment in subsidiaries is carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

APPENDIX III – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

11. Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Acquired licenses*

Lease prepayments

Property, plant and equipment

Investment in subsidiaries

Acquired licenses, lease prepayments, property, plant and equipment and investment in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

APPENDIX III – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

12. Loans and receivables

Cash and bank balances
Trade and other receivables
Deposits

Cash and bank balances, trade and other receivables and deposits are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Group assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

13. Financial guarantees

The Company has issued corporate guarantees to banks and third parties for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks and third parties if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the banks and third parties for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks and third parties in the Company's balance sheet.

Intra-group transactions are eliminated on consolidation.

APPENDIX III – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

14. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

15. Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

16. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

17. Leases

(a) When the Group is the lessee:

The Group leases office space under operating leases from non-related parties.

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) When the Group is the lessor:

The Group leases investment properties under operating leases to non-related parties.

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

APPENDIX III – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

18. Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated applicable variable selling expenses.

19. Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investment in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties and investment properties under construction. Investment properties and investment properties under construction measured at fair value are presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisitions.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

APPENDIX III – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

20. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events. It is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

21. Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Short-term compensated absences

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

22. Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

APPENDIX III – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

23. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

24. Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

25. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

26. Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION



INTERNATIONAL HEALTHWAY CORPORATION LIMITED

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

APPOINTMENT OF RECEIVERS OVER CERTAIN SUBSIDIARIES OF THE COMPANY

The Board of Directors ("Board") of International Healthway Corporation Limited (the "Company" and together with its subsidiaries, the "Group") wishes to inform shareholders of the following:

1. Appointment of Receivers over certain subsidiaries of the Company

On 26 April 2016, the Board was informed that Enterprise Fund III Ltd, Value Monetization III Ltd and VMF3 Ltd (collectively, the "Funds") have appointed receivers ("Receivers") over the entire issued share capital of its wholly-owned investment holding subsidiaries (i) IHC Medical Re Pte Ltd ("IHC Medical"), (ii) IHC Management Pte Ltd ("IHC Management") and (iii) IHC Management (Australia) Pty Ltd ("IHCM Australia") (collectively referred to as "Affected Subsidiaries").

The paid up share capital and net tangible assets of these Affected Subsidiaries are as follows :-

	<u>Paid up Share Capital</u>	<u>Estimated Net tangible assets/(liabilities)</u>
IHC Medical	S\$100,001	S\$185,942
IHC Management	S\$1	S\$(10,545)
IHCM Australia	S\$1	S\$117,252

The Funds had previously extended certain loan facility arrangements to the Company and IHC Medical in 2015. The total amount outstanding under the loan facility arrangements is subject to dispute. In the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2015, the outstanding amount due to the Funds under the loan facility arrangements is S\$4,116,050 as at 31 December 2015.

The Funds have apparently appointed the Receivers in connection with the Notices of Default against the Company and IHC Medical issued on or around 7 April 2016 (the "Purported Notices") notwithstanding that the alleged debts referred to in the Purported Notices are in dispute. The Company has legally been advised that the Purported Notices are invalid and consequently, disputes the legitimacy of the appointment of the Receivers. The Company believes that there are no basis and/or merits to the above claims and shall robustly defend its positions.

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

2. Actions to be taken by the Company and IHC Medical

The Company and IHC Medical have applied to the Supreme Court of Singapore to rescind and/or suspend the appointment of the Receivers and/or to enjoin the Receivers from selling, transferring and/or disposing any of the shares in the share capital of the Affected Subsidiaries.

The Company will announce any material updates relating to this matter as and where appropriate.

3. Cautionary Statement

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

BY ORDER OF THE BOARD

Lim Beng Choo
Executive Director
3 May 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.

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

Registration No.: 201304341E
(Incorporated in the Republic of Singapore)
(In receivership over charged shares in certain subsidiaries)



APPOINTMENT OF RECEIVERS OVER CERTAIN SUBSIDIARIES OF THE COMPANY – STATUS UPDATE

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcements dated 3 May 2016, 6 May 2016, and 8 July 2016 (the "Announcements"), in relation to, inter alia, the appointment of receivers over certain subsidiaries of the Company.

The Board of Directors refers to the Announcements and wishes to update as follows:

Receivership

1. Subsequent to the withdrawal of the Application, the Receivers "in exercise of their powers as receivers", attempted to remove Jong Hee Sen and Lim Beng Choo as directors of the Affected Subsidiaries. These removals have been resisted.
2. On 5 Aug 2016, the Group has received an Ex Parte Summon for Injunction application from the solicitors acting for the Funds and the managers of the Funds (the "Plaintiffs") to restrain the Group from:-
 - i) removing the Plaintiffs' nominated directors or appointing new directors in the Affected Subsidiaries;
 - ii) giving instructions to the trustee of IHC Healthcare REIT in respect of IHC Healthcare REIT, and
 - iii) giving instructions to the trustee of Australia First Trust (Australia) and/or IHC Australia Second Trust (Australia) in respect of Australia First Trust (Australia) and/or IHC Australia Second Trust (Australia).
3. As the validity of the appointment of the Receivers is being disputed, the Group shall resist these actions from the Plaintiffs vigorously. It should be noted that to date, the Plaintiffs had not filed any claim against the Group for amounts purportedly due to them.

Liquidation of IHC Medical and IHC Management Pte Ltd ("Liquidation Applications")

- 1) Crest Capital Asia Pte Ltd, as manager of the Fund, has filed affidavits to object to these Liquidations. These Liquidation Applications are scheduled to be heard on 31 Oct 2016.
- 2) The Company will continue to monitor the situation and update as necessary when there are material and relevant developments.

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

By Order of the Board

Lim Beng Choo
Executive Director
08 August 2016

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

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APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

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APPOINTMENT OF RECEIVERS OVER CERTAIN SUBSIDIARIES OF THE COMPANY – STATUS UPDATE

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcements dated 3 May 2016, 6 May 2016, 8 July 2016, and 8 August 2016 (the "Announcements"), in relation to, inter alia, the appointment of receivers over certain subsidiaries of the Company.

The Board of Directors (the "**Board**") of International Healthway Corporation Limited (the "**Company**") refers to the Announcements and wishes to update as follows:

1. Further to the Ex Parte Summons for Injunction application taken out by the Funds and the managers of the Funds (the "**Plaintiffs**"), the Court has made the following orders, *inter alia*, that:
 - (a) The Group be restrained from removing the Receivers as directors of the Subsidiaries, and from appointing any person as director or secretary of the Subsidiaries, save for the representative(s) of the Plaintiffs;
 - (b) The Group deliver *inter alia* company records and accounts, share certificates, and company seals of the Subsidiaries to the Plaintiffs;
 - (c) The Group be restrained from giving instructions in respect of the IHC Healthcare REIT, or the unit trust schemes held under it i.e. the IHC Australia First Trust and/or the IHC Australia Second Trust (collectively the "Australia Trusts"), except upon the instructions of the Plaintiffs;
 - (d) The Group transfer the legal and/or beneficial interest in the IHC Healthcare REIT to Crest Capital Asia Fund Management Ltd by 5 pm on 16 August 2016, pending the resolution of ongoing suits between parties; and
 - (e) The Group be restrained from transferring any legal and/or beneficial interest in the Australia Trusts to any party, pending the resolution of ongoing suits between parties.
2. The Company will do whatever is necessary to vigorously defend its interests with the advice of its solicitors. In particular, the Company is presently considering an application to set aside the injunction order, whether in whole or in part. In addition, the Company will continue to strongly contest the validity of the appointment of the Receivers in the conduct of proceedings.

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

BY ORDER OF THE BOARD

Lim Beng Choo
Executive Director
15 August 2016

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

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APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

Registration No.: 201304341E
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SALES OF AUSTRALIAN PROPERTIES APPOINTMENT OF RECEIVERS OVER CERTAIN SUBSIDIARIES OF THE COMPANY – STATUS UPDATE

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcements dated 3 May 2016, 6 May 2016, 8 July 2016, 8 August 2016 and 15 August 2016 (the "Announcements"), in relation to, inter alia, the appointment of receivers over certain subsidiaries of the Company.

The Board of Directors (the "**Board**") of International Healthway Corporation Limited (the "**Company**") refers to the Announcements and wishes to update as follows:

Summary of ongoing action against Crest Funds and Crest Receivers

1. The Company has commenced the following proceedings in the High Court of Singapore:
 - (a) HC/S 441/2016 - The Company has commenced proceedings against a number of creditor funds and their fund managers (the "**Crest Funds**") and the receivers appointed by Crest Funds (the "**Crest Receivers**") to dispute the validity of the appointment of the Crest Receivers. The Crest Receivers were appointed over the Company's shares in IHC Medical Re Pte Ltd, IHC Management Pte Ltd and IHC Management Pty Ltd (the "**Affected Subsidiaries**"). Details of HC/S 441/2016 were announced by the Company on 3 May 2016.
 - (b) HC/CWU 113/2016 and HC/CWU 126/2016 - Winding-up applications commenced by the Company against IHC Medical Re Pte Ltd and IHC Management Pte Ltd to safeguard the Company's interest as a creditor. Details of HC/CWU 113/2016 and HC/CWU 126/2016 were announced by the Company on 2 June 2016 and 29 June 2016 respectively.
2. The Crest Funds have commenced injunction proceedings in the High Court of Singapore on the following matter:
 - (a) HC/S 856/2016 - The Crest Funds commenced, inter alia, injunction proceedings against the Company, the Affected Subsidiaries and the Company's officers under HC/S 856/2016, and had obtained certain injunction orders on 8 August 2016 (the "**Injunction Order**"). Details of HC/S 856/2016 and the Injunction Order were announced on 15 August 2016.
3. Further to the Injunction Order made by the Court transferring control of the Affected Subsidiaries to the Crest Funds, the Company has applied to Court for orders to, *inter alia*,:
 - (a) set aside the Injunction Order; or
 - (b) alternatively, fortify the Crest Funds' undertaking to pay damages in the event the Injunction Order is eventually lifted at the conclusion of HC/S 856/2016, through the provision of a banker's guarantee in favour of the Company; and further,

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

- (c) prevent the disbursement of the proceeds of sale of the Australian Properties to the Crest Funds and/or their nominees,
- 4. The application was heard in part on 23 August 2016 and was adjourned to 11 October 2016 for the Crest Funds to file further affidavits.

Sale of Australian Properties

- 5. The Company, through the Affected Subsidiaries, is the ultimate beneficial owner and managers of three properties in Australia (553 St Kilda Road, 541 St Kilda Road, and 73-79 Little Ryrie Street, Geelong – collectively, the “**Australian Properties**”). The Australian Properties are mortgaged to Westpac Banking Corporation (“**Westpac**”), Qualitas Real Estate Finance Pty Ltd (“**Qualitas**”), and the National Australian Bank (“**NAB**”) (collectively, the “**Australia Lenders**”) as follows:
 - (a) Loan of AUD44,300,000 from Westpac and AUD7,575,000 from Qualitas, secured against the two St Kilda Road properties; and
 - (b) Loan of AUD16,250,000 from NAB, secured against the Geelong property.
- 6. The total fair value of the Australian Properties is SGD117,145,000¹ (approximately AUD114.5 million based on an exchange rate of SGD1 : AUD 0.977), a sum well in excess of the outstanding amounts of AUD68.125 million currently owed to NAB, Qualitas and Westpac.
- 7. As a result of actions taken by the Crest Funds against the Company on 8 August 2016, NAB and Westpac had on 25 and 26 August 2016 respectively appointed the Australian Receivers over the Geelong property and the two St Kilda Road properties.
- 8. Prior to the appointment of receivers and managers by Westpac and NAB (the “**Westpac Receivers**” and the “**NAB Receivers**” respectively) over the Australian Properties, the Company’s negotiations for the sale of the two St Kilda Road properties to two separate independent third parties were at advanced stages. The proposed gross sale price of the two St Kilda Road properties aggregated AUD104.25 million, which exceeds the combined total fair value of the said properties at SGD89.81 million¹ and represents a substantial gain over the original purchase prices paid by the Company. Westpac and Qualitas had been kept informed of these two sale negotiations. To the best of the Company’s knowledge, the Westpac Receivers intend to proceed with the proposed sales of the two St Kilda Road properties.
- 9. **The appointments of the Westpac Receivers and the NAB Receivers are a consequence of the disputed appointment of the Crest Receivers.** Accordingly, the Australian Lenders sought to preserve their interest[s] in the Australian Properties by appointing receivers and managers so as to procure the fair-value sale of the Australia Properties in a more transparent manner.
- 10. Details of events leading up to the appointments of the Westpac Receivers and the NAB Receivers have been detailed in past announcements by the Company. The key events are summarised as follows:
 - (a) On or around 15 April 2016, the Crest Receivers lodged caveats over the Australian Properties claiming an interest in the Australian Properties. As there was no legal basis to lodge the caveats, the Company applied to the Supreme Court of Victoria in Melbourne to lift these caveats. On 13 July 2016, the Crest Receivers voluntarily and unconditionally withdrew the

¹ As set out in the published financial statements for the financial year ended 31 December 2015

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

caveats, a day before the hearing of the applications, and were ordered by the Australian court to pay costs on an indemnity basis.

- (b) Notwithstanding that the caveats were withdrawn, the unlawful caveats placed by the Crest Receivers on the Australian Properties had alarmed the Secured Australia Lenders.
- (c) By resolutions dated 11 and 12 July 2016, the Crest Receivers appointed Chan Pee Teck Peter and Tan Yang Hwee as directors of the Affected Subsidiaries. Details relating to these appointments are set out in the Company's announcement dated 8 August 2016.
- (d) As a consequence of the Crest Receivers' control over the Affected Subsidiaries, the confusion and anxieties caused by the disputed appointment of the Crest Receivers, and the unlawful caveats filed, the Australian Trustee (being the registered proprietor of the Australian Properties) had difficulties in executing the sales of the two St Kilda Road properties that were being negotiated.
- (e) Further to the appointment of receivers by Westpac on the St Kilda Road properties, interest payments from the rental income of these properties to Qualitas, the subordinated lender, has been curtailed. As IHC is a corporate guarantor for the Qualitas facility, it has received a notice of event of default from Qualitas on 13 September 2016 in this regard.

The Company is of the view that there been no material change in its financial interests in the Australian Properties. All rightful obligations due to the Australian Lenders will be settled after the sale of the Australian Properties. Any attempts to divert any residual proceeds to any claims by the Crest Receivers have been and will continue to be challenged until the Crest Funds are able to prove their claims. It should be noted that to date, the Crest Funds have not filed any specific claims against the Company other than to appoint the Crest Receivers. As stated above, the Company is of the view that the Crest Receivers have been appointed wrongfully.

Application for the appointment of provisional liquidators over the Affected Subsidiaries by the Company

- 11. Pursuant to the appointment of the Westpac Receivers and NAB Receivers, the Company made applications for the appointment of provisional liquidators in respect of IHC Medical Re Pte Ltd and IHC Management Pte Ltd. These applications are made:
 - (a) Further to the pending winding-up petitions filed by the Company against IHC Medical Re Pte Ltd and IHC Management Pte Ltd,
 - (b) as part of the Company's precautionary efforts to secure its rights over the residual proceeds from the sale of the Australian Properties and
 - (c) to safeguard the Company's interest as a creditor of IHC Medical Re Pte Ltd and IHC Management Pte Ltd..
- 12. At the hearing of the applications on 8 September 2016, the Court directed that the applications to appoint provisional liquidators are to be heard together with the application to set aside the Injunction Order on 11 October 2016. In the event any of the Australian Properties are sold before 11 October 2016:
 - (a) the sale proceeds will be applied in the first instance to settle any outstanding facilities with the respective mortgagees; and

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

- (b) undertaking has been obtained from the Crest Funds not to dispose of the balance proceeds of the sale pending the outcome of the hearing on 11 October 2016. Any surplus monies arising from the sale will in the interim be held by WongPartnership LLP who are solicitors of the Crest Funds. This undertaking subsists insofar as the Funds have control over the Affected Subsidiaries.

Summary

13. These recent developments, namely:

- (a) The changes to the composition of the boards of directors of the Affected Subsidiaries and the subsequent Injunction Order;
- (b) The appointment of the Westpac Receivers and the NAB Receivers; and
- (c) The pending applications for the appointments of provisional liquidators over IHC Medical Re Pte Ltd and IHC Management Pte Ltd,

do not change the net financial position of the Company and/or its Affected Subsidiaries. These proceedings are part of the Company's ongoing process to challenge the disputed appointment of the Crest Receivers and secure the Company's interest in the Australian Properties, or the proceeds of sale thereof.

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

By Order of the Board

Lim Beng Choo
Executive Director
16 September 2016

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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.

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

Registration No.: 201304341E
(Incorporated in the Republic of Singapore)
(In receivership over charged shares in certain subsidiaries)



APPOINTMENT OF RECEIVERS OVER CERTAIN SUBSIDIARIES OF THE COMPANY – STATUS UPDATE

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcements dated 3 May 2016, 6 May 2016, 8 July 2016, 8 August 2016, 15 August 2016 and 16 September 2016 (the "Announcements"), in relation to, inter alia, the appointment of receivers over certain subsidiaries of the Company.

The Board of Directors (the "**Board**") of International Healthway Corporation Limited ("the **Company**") refers to the Announcements and wishes to update as follows:

1. The Company's application in HC/SUM 4014/2016 to vary the Injunction Order to prevent the disbursement of the proceeds of sale of the Australian Properties to the Crest Funds and/or their nominees, or in the alternative for the Crest Funds to fortify their undertaking to pay damages, was heard on 11 October 2016 together with the two applications for the appointment of provisional liquidators in respect of IHC Medical Re Pte Ltd and IHC Management Pte Ltd (the "**Provisional Liquidation Applications**").
2. The hearing of HC/SUM 4014/2016 and the Provisional Liquidation Applications has been adjourned for a further hearing on 20 October 2016.

The Company will provide updates as and when there are further material developments.

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

By Order of the Board

Lim Beng Choo
Executive Director
13 October 2016

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The Board of Directors (the "**Board**") of International Healthway Corporation Limited ("the **Company**") refers to the Announcements and wishes to update as follows:

1. The Company's application in HC/SUM 4014/2016 was heard on 20 October 2016 together with the Provisional Liquidation Applications. The Court made the following orders at the hearing, *inter alia*, that:
 - (1) The proceeds of sale of the Australian Properties, net off payments to the Australia Lenders and the costs associated with the sale, are to be applied as follows:
 - (a) Repayment of the undisputed principal sum of S\$4,116,050.00 and relevant interest amount to date, due and owing under the Geelong Facility.
 - (b) Deposit with a prime international bank (the "**Bank**") an amount comprising the:
 - (i) Disputed amount alleged to be due and owing under the Standby Facility;
 - (ii) Disputed amount alleged to be due and owing under the Geelong Facility; and
 - (iii) All costs, fees and expenses incurred by the Plaintiffs in HC/S 856/2016 in respect of or in connection with the Receivership.
 - (2) The amount deposited with the Bank shall be charged by way of security to the Bank for a banker's guarantee to be issued in the same amount in favour of the Company, which shall secure the Company's claim to any part of the monies deposited with the Bank, pursuant to any order made by the Court in HC/S 441/2016.
 - (3) The Bank's commission for the issuance of the banker's guarantee shall be borne by the Company.
 - (4) Crest Capital Asia Pte Ltd shall give the Company a statement of account setting out the application of the proceeds of sale as set out above.
2. The orders granted give the Company a measure of security over the amounts that will be retained by the Crest Entities out of the proceeds of sale of the Australian Properties.
3. This meets the Company's objective of safeguarding the proceeds of sale of the Australian Properties and/or preventing the disbursement of the same to the Crest Funds and/or their nominees, which had also been the basis for the Provisional Liquidation Applications.
4. The Provisional Liquidation Applications were thus withdrawn in light of the orders made in HC/SUM 4014/2016.

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

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

By Order of the Board

Lim Beng Choo
Executive Director
21 October 2016

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APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

Registration No.: 201304341E
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APPOINTMENT OF RECEIVERS OVER CERTAIN SUBSIDIARIES OF THE COMPANY – STATUS UPDATE

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcements dated 3 May 2016, 6 May 2016, 8 July 2016, 8 August 2016, 15 August 2016, 16 September 2016, 13 October 2016 and 21 October 2016 (the "Announcements"), in relation to, inter alia, the appointment of receivers over certain subsidiaries of the Company.

As required under the applicable Catalyst Rules, the Board of Directors (the "**Board**") of International Healthway Corporation Limited ("the **Company**") refers to the Announcements and wishes to provide a monthly update to its shareholders that since the Announcement made on 21 October 2016:

- (a) there have been no material developments in HC/S 441/2016 (proceedings commenced by the Company against the Crest Funds and the Crest Receivers to dispute the validity of the appointment of the Crest Receivers) and HC/S 856/2016 (the injunction proceedings commenced by Crest Funds against the Company) that may significantly impact the net financial position of the Company and/or its Affected Subsidiaries; and
- (b) as the orders granted at the hearing of HC/SUM 4014/2016 (together with Provisional Liquidation Applications commenced by the Company) on 20 October 2016 meets the Company's objective of safeguarding the proceeds of sale of the Australian Properties and/or preventing the disbursement of the same to the Crest Funds and/or their nominees, HC/CWU 113/2016 (the winding up application commenced by the Company against IHC Medical Re Pte Ltd) and HC/CWU 126/2016 (the winding up application commenced by the Company against IHC Management Pte Ltd) were withdrawn at the hearing on 31 October 2016.

The Company will provide updates as and when there are further material developments.

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

By Order of the Board

Lim Beng Choo
Executive Director
14 November 2016

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INTERNATIONAL HEALTHWAY CORPORATION LIMITED

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SALE OF TWO PROPERTIES IN ST KILDA ROAD, MELBOURNE

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcements dated 3 May 2016, 6 May 2016, 8 July 2016, 8 August 2016, 15 August 2016, 16 September 2016, 13 October 2016, 21 October 2016 and 14 November 2016 (the "Announcements"), in relation to, inter alia, the appointment of receivers over certain subsidiaries of the Company.

The Board of Directors (the "**Board**") of International Healthway Corporation Limited (the "**Company**") is pleased to announce that it has been informed by the Westpac Receiver that contracts of sale for the Company's two properties in Melbourne, Australia ("**Sale of St Kilda Properties**") have been signed for a combined contracted price of AUD117,750,000 (subject to adjustments). Details are as follows:

Contracts of Sale Exchanged

1. Contract of Sale of **541 St Kilda Road** (with some conditions) was exchanged on 17 November 2016 with settlement scheduled for 16 January 2017. The contracted price is AUD47,750,000 (subject to adjustments).
2. Contract of Sale of **553 St Kilda Road** was exchanged on 21 November 2016 with settlement scheduled for 20 February 2017. The contracted price is AUD70,000,000 (subject to adjustments).

Background information on these properties

1. These properties are mortgaged to Westpac Banking Corporation ("**Westpac**") and Qualitas Real Estate Finance Pty Ltd ("**Qualitas**"), for loans of AUD44,300,000 from Westpac and AUD7,575,000 from Qualitas;
2. The combined valuation of these two properties as appraised by Savills Valuations Pty Ltd as at 31 December 2015 was approximately AUD87,000,000;
3. These two properties were acquired by the Company in 2014 for a combined purchase price of approximately AUD80,750,000 before acquisition costs.

Application of Sales Proceeds

1. The net sales proceeds from the Sale of the St Kilda Properties, as well as from the impending sale of the Company's property in Geelong, Australia, ("**Geelong Property**") will be applied in the manner as set out in the announcement dated 21 October 2016 ("**21 October 2016 Announcement**"). The amount of the net proceeds from the sale of the Company's three properties in Australia attributable to the Company will be dependent on the sale price of the Geelong property and the amounts to be applied as described in the 21 October 2016 Announcement.

The Company will provide further updates on the Sale of St Kilda Properties through SGXNET if and when it is informed of any material developments relating thereto.

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

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

By Order of the Board

Lim Beng Choo
Executive Director
24 November 2016

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APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

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APPOINTMENT OF RECEIVERS OVER CERTAIN SUBSIDIARIES OF THE COMPANY – STATUS UPDATE

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As required under the applicable Catalist Rules, the Board of Directors (the "**Board**") of International Healthway Corporation Limited ("the **Company**") refers to the Announcements and wishes to provide a monthly update to its shareholders that since the Announcement made on 24 November 2016, there has been no material developments that may significantly impact the net financial position of the Company and/or its Affected Subsidiaries.

The Company will provide updates as and when there are further material developments.

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

By Order of the Board

Lim Beng Choo
Executive Director
15 December 2016

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VOLUNTARY SUSPENSION OF TRADING

The new Board of Directors (the "**Board**") of International Healthway Corporation Limited (the "**Company**"), which was appointed on 23 January 2017, wishes to announce that further to the Company's announcement of 24 January 2017 in relation to the request for the trading halt of the Company's shares, the Interim Transition Committee and the Board require more time to determine the current state of affairs of the the Company and its subsidiaries (the "**Group**"). The Board is working closely with its legal advisors in its review.

The Company has therefore requested for the conversion of its trading halt to a voluntary trading suspension.

In addition, the Board would like to clarify that the Company had reported the matter involving Ms Lim Beng Choo leaving the office premises with her computer and some documents to the police and requested police assistance; a formal police report will be made in due course.

The Board will continue to keep shareholders updated on any subsequent material developments. 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.

BY ORDER OF THE BOARD

Tay Eng Kiat Jackson
Director
27 January 2017

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UPDATES TO SHAREHOLDERS

Reference is made to:

- (i) the Company's announcement of 24 January 2017 in relation to, amongst other things, the appointment of Data Management Corporation Pte Ltd ("**DMC**") to, *inter alia*, protect, secure and preserve the Company's records and financial information;
- (ii) the Company's announcement of 27 January 2017 ("**27 January LBC Announcement**") in relation to, amongst other things, the Company's clarification of the matter involving Ms Lim Beng Choo ("**LBC**") leaving the office premises with her computer and some documents ("**LBC Matter**"); and
- (iii) the Company's announcement of 27 January 2017 in relation to the decision of the new Board of Directors of the Company ("**Board**") to request for the conversion of the Company's trading halt to a voluntary suspension, as the Interim Transition Committee and the Board required more time to determine the current state of affairs of the Company and its subsidiaries.

The Board wishes to update shareholders on the following matters:

A. POLICE REPORT LODGED IN RELATION TO THE LBC MATTER

A formal police report has now been filed by the Company on 6 February 2017 in respect of the LBC Matter. Subsequent to the 27 January LBC Announcement, DMC has reported to the Company that, amongst other things, 4.5 gigabytes of emails were deleted from LBC's Company email account which DMC believes occurred between 10.30 pm on 23 January 2017 and 10.30 am on 24 January 2017 ("**Timing Estimate**"). Based on the Timing Estimate, the aforesaid deletion of emails occurred after the extraordinary general meeting of the Company whereby LBC was removed as a director of the Company and after the Company's notification to LBC of her suspension from any and all of her executive functions in relation to the Company.

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

B. PROPOSED CONVERTIBLE LOANS

The Company has on 6 February 2017 entered into a non-binding term sheet ("**Term Sheet**") with Oxley Holdings Limited, Mr Ching Chiat Kwong and Mr Low See Ching (collectively, "**Lenders**") pursuant to which the Lenders propose to grant to the Company convertible loans at an interest rate of 6% per annum as follows:

- (a) Mr Ching Chiat Kwong and Mr Low See Ching propose to make available to the Company a loan facility in the aggregate amount of up to S\$5,000,000 ("**Loan I**"); and
- (b) Oxley Holdings Limited proposes to make available to the Company a loan facility in the aggregate amount of up to S\$50,000,000 ("**Loan II**", together with Loan I, "**Convertible Loans**").

Subject to, amongst other things, the Company having obtained the requisite approval of its shareholders at an extraordinary general meeting and the requisite approvals and/or waivers from the relevant authorities having been obtained: (A) the total outstanding principal amount of the respective Convertible Loans shall be convertible into new fully-paid ordinary shares of the Company ("**Conversion Shares**") at the conversion price (as set out below) at the option of the respective Lenders during the period of two years commencing from the date on which the last of the Conditions (defined below) has been fulfilled ("**Conversion Right**"); and (B) in addition to the Conversion Right, the respective Lenders will have the right to subscribe for additional shares in the capital of the Company ("**Subscription Shares**") at the subscription price (as set out below) for an amount up to the net sum of the principal amount of the respective Convertible Loans advanced to the Company less the total outstanding principal amount under such Convertible Loan ("**Subscription Right**").

The additional principal indicative terms of the Convertible Loans which the parties have in-principle agreed on under the Term Sheet are set out below:

- (i) Interest. Interest at the rate of 6% per annum shall accrue on a daily basis on the outstanding principal amount of the Convertible Loans and shall be payable in arrears by the Company to the Lenders on the last day of each calendar month or, if on such day Singapore banks are not open for business, the next business day.
- (ii) Conversion price / Subscription price. In the event that a Lender elects to exercise his Conversion Right or Subscription Right, the Conversion Shares or the Subscription Shares shall be issued at an issue price of S\$0.06102 per share (being a 10% discount to the volume weighted average price of the Company's issued shares ("**Shares**") of S\$0.0678

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

on 23 January 2017). The Conversion Shares and Subscription Shares shall rank pari passu in all respects with the then existing Shares of the Company.

(iii) Use of proceeds. The proceeds of the Convertible Loans shall be utilised for the following purposes:

- (A) to pay the interests accrued or accruing on the loans and debts due from the Company to financial institutions, including outstanding liabilities under debt instruments issued by the Company;
- (B) to pay the operating expenses of the Company, including staff salaries and professional fees;
- (C) to pay such other expenses of the Company as may be approved in writing by the Lenders; and
- (D) to set aside and use an amount of up to S\$500,000 for the purpose of further reviewing the affairs and transactions of the Company and its subsidiaries,

Provided that the use of the proceeds for each drawdown of the Loans shall first be (i) approved by the Lenders in writing and (ii) authorised by the Company's board of directors.

(iv) Conditions. The Conversion Right, the Subscription Right and Oxley Holdings Limited's obligation to grant Loan II shall be conditional on the following matters, amongst others ("**Conditions**"):

- (A) Oxley Holdings Limited having obtained the requisite approval of its shareholders at an extraordinary general meeting to be convened for the grant of Loan II in accordance with the terms set out in the Term Sheet;
- (B) the Company having obtained the approval of its shareholders at an extraordinary general meeting to be convened for Loan II, the Conversion Right, the Subscription Right and the issue of new Shares pursuant thereto;
- (C) the Securities Industry Council (the "**SIC**") having granted the Lenders and their concert parties (collectively, "**Concert Parties**") a waiver of their obligation to make a mandatory offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**") for the Shares of the Company not held by the Concert Parties and from having to comply with the requirements of Rule 14 of the Code,

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

and all conditions which may be imposed by the SIC in granting such waiver having been fulfilled;

- (D) the Company having received the listing and quotation notice from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the dealing and quotation of the new Conversion Shares and Subscription Shares to be issued to the Lenders or their nominee(s) pursuant to the Conversion Rights and Subscription Rights;
 - (E) the execution of all definitive agreements; and
 - (F) all consents and approvals of any relevant parties which are necessary or required for the transactions contemplated in the Term Sheet having been obtained.
- (v) Repayment. Unless the outstanding amount of the Convertible Loans has been converted into new Shares, the respective Lenders shall be entitled on demand to request the Company in writing to repay the outstanding amount of the relevant Convertible Loan together with interest thereon, and all such repayment sums shall be made by the Company to the relevant Lender within five (5) business days from the date the relevant Lender gives the Company notice of such request. Loan I shall be fully satisfied either through repayment in cash or conversion to shares in the Company.
- (vi) Undertakings of the Company. The Company will provide the following undertakings in favour of the Lenders:
- (A) the Company shall grant Oxley Holdings Limited a first right of refusal in respect of the joint development of existing properties owned by the Company on terms to be agreed ("**ROFR**"); and
 - (B) to the extent permissible under applicable laws and subject to the consents and approvals of all relevant third parties, the Company shall procure that the Convertible Loans are secured by such of the Company's assets as may be acceptable to the Lenders.

The Term Sheet will expire on the earlier of (aa) the expiration of 3 months from the date of the Term Sheet or (bb) the execution of definitive agreements.

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

For the avoidance of doubt, the Directors would like to highlight and clarify to shareholders that:

- (I) the Conversion Right and Subscription Right only apply to the principal amount and do not apply to any interest accrued on the respective Convertible Loans.
- (II) Loan I can be drawn down immediately by the Company;
- (III) (a) the grant of Loan II, (b) the Conversion Right under each of Loan I and Loan II and (c) the Subscription Right under each of Loan I and Loan II will not be made available unless, amongst other things, Oxley Holdings Limited and the Company have respectively obtained the requisite approval of their shareholders at their respective extraordinary general meetings to be convened and SIC has granted the Concert Parties a waiver of their obligation to make a mandatory offer under Rule 14 of the Code and from having to comply with the requirements of Rule 14 of the Code, and all conditions which may have been imposed by SIC in granting such waiver having been fulfilled. Should such shareholders' approval not be obtained, the Conversion Right and Subscription Right in relation to Loan I shall not be applicable and Loan I shall remain as a loan to the Company; and
- (IV) Notwithstanding the ROFR, the Board will consider the terms of any offer for the joint development of existing properties by other parties, other than Oxley Holdings Limited, and will award the joint development rights to such party which presents the most beneficial terms to the Company.

1. Information on the Proposed Lenders

Mr Ching Chiat Kwong and Mr Low See Ching are directors and controlling shareholders of Oxley Holdings Limited, which is principally engaged in the business of property development and property investment and is listed on the Main Board of the SGX-ST. As at 5 December 2016, Mr Ching Chiat Kwong held 19.15% interest and Mr Low See Ching held 7.12% interest in the issued share capital of the Company. To the knowledge of the Directors, Oxley Holdings Limited does not have any interest in the issued share capital of the Company.

Assuming the full conversion of the entire principal amount of Loan I and/or Loan II into new Shares ("**Full Conversion**"),

- (a) 81,940,347 Conversion Shares from the conversion of Loan I only would represent 4.94% of the existing issued share capital of the Company comprising 1,659,064,603 Shares ("**Existing Share Capital**") and 4.71% of the enlarged share capital of the Company comprising 1,741,004,950 Shares;

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

- (b) 819,403,474 Conversion Shares from the conversion of Loan II only would represent 49.39% of the Existing Share Capital and 33.06% of the enlarged share capital of the Company comprising 2,478,468,077 Shares;
- (c) 901,343,821 Conversion Shares from the conversion of Loan I and Loan II would represent 54.33% of the Existing Share Capital and 35.20% of the enlarged share capital of the Company comprising 2,560,408,424 Shares; and
- (d) the change in the Lenders' shareholdings in the Company, based on the latest publicly available information as at the date of this announcement, would be as follows.

Substantial Shareholder		Before		After					
				Loan I Conversion only		Loan II Conversion only		Loan I and Loan II Conversions	
		Total interest	% ⁽¹⁾	Total interest	% ⁽²⁾	Total interest	% ⁽³⁾	Total interest	% ⁽⁴⁾
Ching Chiat Kwong		317,636,000	19.15	358,606,174	20.60	317,636,000	12.82	358,606,174	14.01
Low See Ching		118,100,100	7.12	159,070,273	9.14	118,100,100	4.77	159,070,273	6.21
Oxley Holdings Limited		-	0.00	-	0.00	819,403,474	33.06	819,403,474	32.00

Notes:

1. Calculated based on the Existing Issued Share Capital.
2. Calculated based on the enlarged share capital comprising 1,741,004,950 Shares.
3. Calculated based on the enlarged share capital comprising 2,478,468,077 Shares.
4. Calculated based on the enlarged share capital comprising 2,560,408,424 Shares.

The Company does not have a general mandate for the issuance of new Shares and the issuance of shares pursuant to Conversion Rights and/or Subscription Rights constitute issuance of shares to persons falling under Rule 812 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited. Accordingly, Loan II and the issuance of shares pursuant to the Conversion Rights and/or Subscription Rights are subject to shareholders' approval.

Assuming the Full Conversion of Loan II and/or Loan I and Loan II, the Lenders will incur an obligation to make a mandatory general offer for all the remaining issued Shares not already owned, controlled or agreed by them pursuant to Rule 14 of the Code. Accordingly, the Lenders will seek SIC approval to waive such obligations, as set out in paragraph (iv)(C) above.

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

Under the terms of the MTNs (as defined below), a change of shareholding event occurs when Mr Fan, Messrs Aathar Ah Kong Andrew and Jong Hee Sen and their immediate family members cease to own in aggregate at least 30 per cent. of the issued share capital of the Company. In the event of Full Conversion, a change of shareholding event would arise and entitle the noteholders of the MTNs to redeem their notes. Where necessary, the Company intends to engage the noteholders to invite them to waive the change of shareholding event.

2. Interests of Directors and Controlling Shareholders

Two of the Company's Directors, namely Mr Eric Sho Kian Hin and Mr Jackson Tay Eng Kiat, respectively hold 87,800 and 80,000 shares out of the total issued share capital of 2,925,474,571 shares in Oxley Holdings Limited (as at 31 December 2016). Accordingly, none of the Directors have any material interests in Oxley Holdings Limited. Save as mentioned in this announcement, none of the Directors or controlling shareholders of the Company have any direct or indirect interest in the Convertible Loans, other than through their respective shareholdings in the Company. As a measure of good corporate governance, Mr Roger Tan Chade Phang (the sole director of the Company who has no interests in Oxley Holdings Limited) and the Company's General Manager, Mr Foo Yong How, will be in charge of all matters relating to the proposed funding to be provided by Oxley Capital Holdings Limited, including the negotiations and conclusion of the terms. Mr Eric Sho Kian Hin and Mr Jackson Tay Eng Kiat will abstain from all involvement in the negotiations and dealings in relation to Oxley Holdings Limited's proposed funding.

3. Cautionary Statement

The terms of the Convertible Loans set out in the Term Sheet are indicative terms which have been agreed to in-principle by the Company, and are subject to the execution of definitive agreements on terms and conditions to be agreed between the Lenders and the Company, and are further subject to the Conditions being satisfied. 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.

4. Further Announcements

The Board will continue to keep shareholders updated on further material developments on the Convertible Loans.

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

C. CLAIMS AND/OR DEMANDS RECEIVED BY THE COMPANY

The Company and/or its subsidiaries received the following claims and/or demands by the various lenders / claimants as set out below:

1. **BNP Paribas Malaysia Berhad**

On or around 1 August 2016, IHC Seasons Residences Sdn Bhd ("**IHC Seasons**"), an indirect wholly-owned subsidiary of the Company, received a letter from the solicitors of BNP Paribas Malaysia Berhad, demanding for payment of the sum of RM981,825.00 and interest, being the alleged amounts due and owing to BNP Paribas Malaysia Berhad in respect of services provided for a development project in Kuala Lumpur, Malaysia.

On 7 December 2016, BNP Paribas Malaysia Berhad entered into a Consent Judgment with IHC Seasons before the High Court of Kuala Lumpur. Pursuant to the Consent Judgment, IHC Seasons is *inter alia* to pay an approximate amount of RM1,016,825.00 to BNP Paribas Malaysia Berhad, with a first payment of RM200,000 to be made by 7 January 2017, followed by four payments of RM150,000 each to be made by 7 February 2017, 7 March 2017, 7 April 2017 and 7 May 2017 respectively and a further payment of RM216,825 to be made by 7 June 2017. In the event that IHC Seasons does not make the abovesaid payments, IHC Seasons will have to pay interest as prescribed in the Consent Judgment. The Company will be working with its Malaysian solicitors to address BNP Paribas Malaysia Berhad's claim.

2. **P & O Capital Sdn Bhd**

On or around 26 January 2017, Keystone Icons Sdn Bhd, an indirect wholly-owned subsidiary of the Company, received a letter from P & O Capital Sdn Bhd, demanding for payment of the sum of approximately RM30,860,065.60, being the alleged principal loan and interest (as at 25 January 2017) due and owing to P & O Capital Sdn Bhd under a term loan facility granted to Keystone Icons Sdn Bhd pursuant to a loan agreement dated 19 October 2015.

The letter of demand was also addressed to the Company and some of its other subsidiaries, namely IHC KLCC Investments Pte Ltd and IHC Medical Assets Pte Ltd, as co-corporate guarantors over the loan granted by P & O Capital Sdn Bhd.

3. **Public Bank Berhad**

On or around 3 January 2017, IHC Seasons received a letter from the solicitors of Public Bank Berhad, demanding for payment of the sum of RM333,916.71, being the outstanding arrears and

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

late charges (as at 29 December 2016) due and owing to Public Bank Berhad under a term loan facility granted to IHC Seasons pursuant to a Facilities Agreement dated 24 September 2013.

On or around 3 January 2017, the Company received a separate letter from the solicitors of Public Bank Berhad, demanding that the Company, as corporate guarantor of the term loan facility granted to IHC Seasons, make payment of the abovesaid outstanding arrears and late charges due to Public Bank Berhad.

On or around 31 January 2017, the Company arranged for payment of the outstanding arrears and late charges to Public Bank Berhad.

4. Langdon & Seah Sdn Bhd

On 25 September 2016, IHC Seasons received a letter from the solicitors for Langdon & Seah Sdn Bhd dated 15 September 2016, demanding for payment of the sum of MYR255,275.70, being the alleged sums due and owing to Langdon & Seah Sdn Bhd under a Consultancy Agreement in respect of a proposed mixed development in Kuala Lumpur.

5. Ms Lim Beng Choo

On or around 26 January 2017, the Company received a letter from the solicitors of LBC, alleging that there had been wrongful repudiation of the Service Agreement dated 31 December 2015 between LBC and IHC Medical Assets Pte Ltd, a wholly-owned subsidiary of the Company, and claiming:-

- (a) the sum of S\$120,000, being compensation payments allegedly due and owing to LBC; and
- (b) the sum of S\$116,048.90, being the alleged disbursements incurred by LBC at the request of the Company; and
- (c) damages for the alleged wrongful restraint and/or false imprisonment of LBC on 23 January 2017.

On 1 February 2017, the solicitors for the Company responded to the solicitors for LBC, *inter alia* denying the alleged repudiatory breach of the Service Agreement dated 31 December 2015 by the Company as well as LBC's claims for compensation and damages. There has been further exchange between solicitors, and the Company is currently considering its options against LBC.

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

6. Mr Yeo Kay Beng

The Company entered into a loan agreement dated 7 November 2016 with one Mr Yeo Kay Beng (“**Mr Yeo**”), for a principal sum of S\$800,000 and interest.

On or around 7 January 2017, the Company issued a letter to Mr Yeo, requesting an extension of the repayment date for the loan and interest under the loan agreement to the earlier of (i) 15 March 2017, or (ii) such repayment date as set out in a proposed Deed of Assignment to be entered between the Company and Mr Yeo. In consideration of Mr Yeo’s agreement to extend the repayment date, the Company would, by way of the proposed Deed of Assignment, *inter alia* direct the sale proceeds from various Australian properties, whose sole unitholder is IHC Medical Re Pte Ltd, a wholly-owned subsidiary of the Company, for the repayment of the loan and interest due.

On or around 12 January 2017, Mr Yeo agreed to the Company’s request for an extension of the repayment date. On 12 January 2017, the Company entered into a Deed of Assignment with Mr Yeo, under which the Company assigned all its rights, title and interest in the balance sale proceeds from the sale of the abovesaid Australian properties to Mr Yeo as security for the loan. Mr Yeo, in return, agreed to reassign all his interest in the residual sale proceeds to the Company and/or discharge or cancel the security after satisfying his claim under the loan. The Company and Mr Yeo have since engaged in further discussions between 31 January 2017 and 3 February 2017 with a view to exploring an amicable settlement of the matter.

7. Mr Kng Pong Sai

On 2 February 2017, the Company received a winding-up statutory demand from the solicitors from one Mr Kng Pong Sai (“**Mr Kng**”) dated 1 February 2016 for the sum of S\$1,715,000, being the alleged sums due and owing to Mr Kng under a loan agreement dated 24 October 2016. The solicitors for Mr Kng further stated in their letter of 2 February 2017 that, unless the sum of S\$1,715,000 is paid to, secured or compounded to the reasonable satisfaction of Mr Kng within twenty one days from the date of service of the statutory demand, Mr Kng shall be entitled to present a winding up application in the Singapore High Court for a winding up order to be made against the Company. The Company has sight of a supplemental loan agreement dated 3 January 2017 (which replaces and supersedes the previous loan agreement), under which Mr Kng had *inter alia* agreed to extend the repayment date for his loan to 31 March 2017.

8. Mr Fan Kow Hin and Mdm Chee Yin Meh

On 1 February 2017, the Company received a letter from the solicitors of Mr Fan Kow Hin (“**Mr Fan**”) dated 27 January 2017, demanding for payment of the sum of S\$200,000, being the alleged fees

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

due and owing to Mr Fan for the period from 31 April 2016 to January 2017 pursuant to a Management Advisory Service Agreement dated 16 February 2016.

On 1 February 2017, the Company received a separate letter from the solicitors of Mr Fan and Mdm Chee Yin Meh ("**Mdm Chee**") dated 27 January 2017, demanding that the Company make payment of:-

- (a) the sum of S\$650,182.40 to Mr Fan, being the aggregate balance amounts allegedly due and owing in respect of various shareholder loans purportedly extended by Mr Fan to the Company from 2014 to 2016 as well as unpaid expense claims purportedly made by Mr Fan;
- (b) the sum of S\$330,000 to Mdm Chee, being the amounts allegedly due and owing in respect of advances made by Mdm Chee to the Company pursuant to a Loan Agreement dated 1 November 2016; and
- (c) the sums due and owing by the Company to a bank creditor in respect of banking facilities granted to the Company, which are secured by *inter alia* Mr Fan's personal guarantee and a mortgage.

9. Mr Tan Keng Cheng

On or around 25 January 2017, the Company received a request from Mr Tan Keng Cheng ("**Mr Tan**") for an update on the status of the Company's repayment of the sum of S\$100,000, being the loan amount allegedly due and owing to Mr Tan pursuant to a Term Sheet dated 25 October 2016. There have been follow-up discussions between the Company and Mr Tan in February 2017, with a view to exploring an amicable settlement of the matter.

The Board will provide updates on the above claims and proceedings when it is able to obtain further clarification on the same. The Board is also consulting with the legal advisors of the Company on addressing the above claims and proceedings. In addition, the Board will be taking the necessary steps to clarify with its previous management as to why there were no previous announcements made in respect of the above claims and proceedings.

D. LITIGATION AND ARBITRATION INVOLVING THE COMPANY AND ITS SUBSIDIARIES IN THE PRC.

Various claims have been brought against several of the Company's subsidiaries before the courts in the Wuxi province and/or Shanghai.

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

From 2014 to date, several of the Company's downstream subsidiaries, including Health Kind International (Shanghai) Ltd and Wuxi New District Hospital Co. Ltd (collectively, the **"Wuxi Entities"**), have been involved in various court and arbitration proceedings in Wuxi and Shanghai regarding shareholder disputes, disputes relating to company and land licenses as well as disputes pertaining to loan agreements and share transfers. The Board is informed that most of these proceedings have since concluded.

The Board is further informed that several of these proceedings were commenced by one Dr David Lin Kao Kun and/or Shanghai Yi Lin Medical Management Consulting Co Ltd. In particular, in 2014, Shanghai Yi Lin Medical Management Consulting Co Ltd commenced proceedings against Health Kind International (Shanghai) Ltd in relation to disputes over a transfer of shares in Wuxi New District Hospital Co. Ltd, which is the holding company of a hospital in the Wuxi district (**"Wuxi Hospital"**).

In 2015, Shanghai Yi Lin Medical Management Consulting Co Ltd obtained a court order for Health Kind International (Shanghai) Ltd to return the shares in Wuxi New District Hospital Co. Ltd, on the basis that Health Kind International (Shanghai) Ltd did not pay for the share transfer. Following various appeals by the Company's subsidiaries, the abovesaid court order has most recently been upheld by the Higher People's Court of Shanghai in a judgment dated 30 December 2016. In other words, Health Kind International (Shanghai) Ltd is obliged to return the shares in Wuxi New District Hospital Co. Ltd, to Shanghai Yi Lin Medical Management Consulting Co Ltd.

Notwithstanding the various legal proceedings discussed above, the Company had in 2015, through an indirect wholly owned subsidiary, Wuxi Yi Lin Real Estate Development Co. Ltd, acquired effective control and ownership over the land on which the Wuxi Hospital is located.

The Board will continue to keep shareholders updated on any material developments in the proceedings involving the Wuxi entities. The Board will also consult with the Company's legal advisors on addressing the claims and proceedings brought against the Wuxi entities.

E. MULTICURRENCY MEDIUM TERM NOTE PROGRAMME

The Board refers to the Medium Term Notes Series 002 of S\$50 million at 7 per cent maturing on 27 April 2017 (the **"MTN Series 2"**), and the Medium Term Notes Series 001 of S\$50 million at 6 per cent maturing on 6 February 2018 (the **"MTN Series 1"**) (collectively the **"MTNs"**).

The Company has received a letter from DB International Trust (Singapore) Limited (the Trustee of the MTNs) (**"DB"**) on 1 February 2017 requesting confirmation on, amongst other things:

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

- (a) the Company's ability to meet the payment of interest on the MTN Series 1 due on February 2017 and repayment of the principal amount of the MTN Series 2 due on 27 April 2017; and
- (b) whether any events of default have occurred in relation to the MTNs.

According to DB, their inquiry arose from alleged statements made at the Extraordinary General Meeting on 23 January 2017 by LBC, a former executive director of the Company, that the Company will be unlikely to repay the principal amount of the MTN Series 1 due on 27 April 2017.

The Company wishes to clarify the following:

- (a) The Company has, on 3 February 2017, made full payment of the interest due on the MTN Series 1 in the sum of S\$1,512,328.77; and
- (b) The Company is currently working on various funding sources to meet the repayment of the principal amount of the MTN Series 2 due on 27 April 2017. These include:
 - (i) As stated above, the Board of Directors of the Company has, in principle, accepted a non-binding Term Sheet with Oxley Holdings Limited, Mr Ching Chiat Kwong and Mr Low See Ching i.e. the Lenders, pursuant to which the Lenders propose to grant to the Company convertible loans of an aggregate sum of S\$55 million.
 - (ii) The Company's proposed refinancing package relating to the Group's assets in Japan, details of which can be found in the Company's SGXNET announcements dated 15 December 2016; and
 - (iii) Exploring the divestment of its non-core assets.

The Company also wishes to inform that it is currently ascertaining, with the advice of its financial and legal advisers, whether any redemption events or events of default in respect of the MTNs have occurred. These include:

- (a) Whether a change of shareholding event, which entitles the noteholders of the MTNs to redeem their notes, has occurred arising from the disposal of shares by Mr Fan on 23 January 2017:
 - (i) Under the terms of the MTNs, a change of shareholding event occurs when Mr Fan, Messrs Aathar Ah Kong Andrew and Jong Hee Sen and their immediate family

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

members cease to own in aggregate at least 30 per cent. of the issued share capital of the Company;

- (ii) On 7 February 2017, Mr Fan submitted a Form 3 notifying the Company that his interest in the Company had fallen from 23% to 13.4%;
 - (iii) The Company has written to Messrs Aathar Ah Kong Andrew and Jong Hee Sen to determine if there has been any change in their interests in the Company such that their aggregate interest (including that of Mr Fan) has fallen below 30 per cent. of the issued share capital of the Company; and
 - (iv) To date, the Company has only received confirmation from Mr Jong Hee Sen that his interest in the Company has not changed. The Company will follow up with Mr Aathar Ah Kong Andrew and make the necessary announcements and notifications accordingly; and
- (b) Whether events of default have occurred as a result of the (i) appointment of receivers over the Company's shares in IHC Medical Re Pte Ltd, IHC Management Pte Ltd and IHC Management Pty Ltd by a number of creditor and their fund manager and (ii) the appointment by Australian bank creditors of receivers over properties in Australia which the Company is the ultimate beneficial owner and manager of. Details of these appointments have been provided in the Company's SGXNET announcements over the past year, and in particular, dated 3 May 2016 and 16 September 2016.

The Company has not received any notice of redemption from the noteholders in relation to the MTNs as at the date of this announcement. The Company has also not received any notice in writing from DB (the Trustee) that any events of default has occurred. The Company will make such further announcements on the above matters when it is in a position to do so. As stated above, the Company has recently made full payment on 3 February 2017 in respect of the interest due on the MTN Series 1. The Company will also be engaging DB and the noteholders of the MTNs to explore a mutually acceptable way forward.

F. REPORT BY FTI CONSULTING

On or about 2 February 2017, the Interim Transition Committee of the Company engaged FTI Consulting (Singapore) Pte Ltd ("**FTI Consulting**") to ascertain the interim financial position of the Company and its subsidiaries. FTI Consulting's engagement involved:

- (a) analysing the consolidated balance sheet position of the Company and its subsidiaries;

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

- (b) identifying the major assets of the Company and its major subsidiaries and verified to available source documents;
- (c) identifying the major liabilities of the Company and its major subsidiaries and verified to available source documents; and
- (d) preparing a high level consolidated financial position of the Company as at 31 December 2016.

In preparing its report, given that FTI Consulting was only appointed on 2 February 2017, FTI Consulting had to rely on the documents, financial and other information provided to them by the Company; they have also assumed that all information provided to them is correct and independent verification is not required. FTI Consulting did, however, verify material entries in the selected balance sheets against relevant source documents provided by the Company.

FTI Consulting concluded that the Company and its subsidiaries have sufficient assets to cover its liabilities in the short term. Based on their analysis, as at 31 December 2016, the Group's total assets exceeded its total liabilities by SGD 169.9 million. As a result, FTI Consulting concluded that the Group has sufficient liquid assets to meet its current liabilities. The key risk, according to FTI Consulting, is the Group's ability to convert the current assets into cash in a timely manner to satisfy the Group's immediate obligations.

FTI Consulting's analysis found that, as at February 2017, total borrowings due and payable or capable of being rendered due and payable amounted to SGD23.067 million, and this continues to increase monthly. They opined that it is prudent for Management to look at opportunities to raise funds via unlocking equity from its property portfolio.

In addition, FTI Consulting noted that the Company had, on 6 February 2017, entered into a non-binding Term Sheet with Oxley Holdings Limited, Mr Ching Chiat Kwong and Mr Low See Ching i.e. the Lenders, pursuant to which the Lenders propose to grant to the Company convertible loans of up to SGD 55 million (discussed in greater detail in Section B of this Announcement). FTI Consulting opined that they consider that the new capital will provide the Group with sizeable additional liquidity. As such, the Company's Management should consider pursuing consensual restructuring with its creditors instead of going through a formal restructuring process (i.e. Judicial Management and/or Scheme of Arrangement).

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

G. BOARD'S ADOPTION OF FTI CONSULTING'S RECOMMENDATION

The Board, in consultation with the Interim Transition Committee, will be taking the following steps moving forward:

- (i) The Board accepts FTI Consulting's report and further accepts FTI Consulting's recommendation for the Company to engage its creditors to explore mutually acceptable solutions to settle and/or restructure the Company's obligations. At this point, the Board has sufficient grounds to believe that the Company and its subsidiaries can continue as a going concern in the following months for *inter alia* the following reasons:
 - (A) as mentioned in Section B above, the Company has entered into a non-binding term sheet with Oxley Holdings Limited, Mr Ching Chiat Kwong and Mr Low See Ching i.e. the Lenders, pursuant to which the Lenders will be granting convertible loans of an aggregate amount of up to S\$55 million to the Company, S\$50 million of which is subject to, amongst others, relevant shareholders, regulatory and/or other requisite approvals being sought;
 - (B) as set out in the Company's announcement on 15 December 2016, the Company had also signed a non-binding term sheet with a major international bank, pursuant to which the Company is hoping to secure additional funds of approximately S\$50 million through the refinancing of the Group's assets in Japan and such negotiations are still on-going; and
- (ii) As mentioned above, FTI Consulting was only engaged on 2 February 2017 and has presented the Board with a good preliminary overview of the Company's financial position. As indicated in Section B above, up to an amount of S\$500,000 of the Convertible Loans will be set aside for the purpose of further review into the affairs and transactions of the Company and its subsidiaries; and
- (iii) The Board will be inviting the previous management of the Company and its subsidiaries to render such assistance as may be necessary in its inquiry into the nature of the Company's operations and affairs.

The Board will continue to keep shareholders updated on any subsequent material developments. 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.

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

By Order of the Board

Tay Eng Kiat Jackson

Director

8 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, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

Registration No.:201304341E
(Incorporated in the Republic of Singapore)
(In receivership over charged shares in certain subsidiaries)



FURTHER UPDATES TO SHAREHOLDERS ON CLAIMS RECEIVED BY THE GROUP AND CONVENING OF AN INFORMAL CREDITORS' MEETING

I. UPDATE ON CLAIMS AND/OR DEMANDS RECEIVED BY THE GROUP

The Board of Directors ("**Board**") of International Healthway Corporation Limited ("**Company**") refers to the Company's announcement dated 8 February 2017 and wishes to update its shareholders on the claims and/or demands received by the Company as at the date of this announcement.

1. Mr Kng Pong Sai

On 22 February 2017, the Company received a confirmation from Mr Kng Pong Sai's solicitors that Mr Kng will be withdrawing his statutory demand dated 1 February 2017, whilst reserving his rights against the Company.

2. Mr Fan Kow Hin and/or Mdm Chee Yin Meh

The Company received the following letters from the solicitors of FKH and CYM:

- (i) Letter dated 9 February 2017 addressed to the Company in respect of alleged debts owing to FKH and CYM comprising:
 - (a) the sum of approximately S\$650,182.40 in respect of alleged outstanding balances under shareholder loans extended by FKH to the Company from 2014 to 2016 and unpaid expense claims made by FKH; and
 - (b) the sum of approximately S\$330,000 allegedly advanced by CYM pursuant to a loan agreement dated 1 November 2016; and
- (ii) Letter dated 9 February 2017 addressed to IHCMA in respect of an alleged sum of approximately S\$200,000 in fees allegedly owing to FKH under a management advisory service agreement dated 16 February 2016.

The respective letters state that they are each statutory demands for payment under Section 254(2)(a) read with Section 254(1)(e) of the Companies Act (Cap 50) of Singapore, and unless the sum(s) set out in the respective letters are paid or are secured or compounded to the reasonable satisfaction of FKH and/or CYM (as the case may be) within twenty one days of the date of service of the letter, the Company would be deemed to be unable to pay the debts and FKH and/or CYM (as the case may be) and shall be entitled to present a winding-up application in the High Court for a winding-up order against the Company.

The Board is verifying the claims made by FKH and/or CYM (as the case may be), including the alleged claim amounts, and is also working with the Company's legal advisors to address these claims.

3. BNP Paribas Sdn Bhd ("BNP Paribas")

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

The Company was informed on or around 18 February 2017 that BNP Paribas' solicitors had previously sent a letter dated 17 January 2017 to the solicitors of IHC Seasons Residences Sdn Bhd, demanding for payment of the following sums allegedly due under the Consent Judgment dated 7 December 2016:-

- (i) the sum of RM 981,825;
- (ii) interest of RM 35,672.98 from 6 November 2013 to 2 October 2014; and
- (iii) interest at the rate of 1% per month on RM 981,825, calculated on a daily basis from 6 November 2013 until date of full and final settlement; and
- (iv) legal costs of RM 35,137.94 in respect of the suit between BNP Paribas and IHC Seasons Residences Sdn Bhd.

The Board is seeking clarification on the above claims by BNP Paribas and will be working with the Company's Malaysian solicitors to address the same.

4. The Company's subsidiaries and/or assets in Wuxi province and/or Shanghai

The Company refers to its announcement on 8 February 2017 relating to litigation involving the Company's subsidiaries before the Courts in China. As announced, the Company had, in 2015, through an indirectly wholly owned subsidiary, Wuxi Yi Lin Real Estate Development Co. Ltd, acquired effective control and ownership over the land on which Wuxi Hospital is located.

In addition, the Company further understands that in January 2015, the Company had also purchased 70.5 % of the issued and paid up capital of Shanghai Yi Lin Medical Equipment Consulting Co. Ltd. As such, notwithstanding the litigations commenced by Dr David Lin and Shanghai Yi Lin Medical Equipment Consulting Co. Ltd, the Company continues to own 70.5% of Wuxi New District Hospital Co. Ltd.

At this point, there are 2 pending claims against Shanghai Yi Lin Medical Equipment Consulting Co. Ltd before the Shanghai Courts – they are by Gao Xin and Weixin Hospital Investment Management (Shanghai) Co. Ltd. In these proceedings, both plaintiffs are seeking declarations that they are fully entitled to the entire issued and paid up capital in Shanghai Yi Lin Medical Equipment Consulting Co. Ltd. The Company and its subsidiaries are vigorously defending these proceedings.

In addition, the Board has recently conducted further inquiries into the affairs of the Company's subsidiaries and assets in the Wuxi province and/or Shanghai. Through this inquiry process, the Board was informed of, amongst other things, the following salient matters:

- (i) The Wuxi National High Technology Business Development Management Committee (无锡国家高新技术产业开发区管理委员会) ("**Wuxi Development Committee**") has issued a notice requiring the Company to submit a development plan within sixty (60) days from 7 February 2017 for the land on which the hospital in Wuxi ("**Wuxi Hospital**") is located, failing which the land may be liable to be confiscated.
- (ii) The Wuxi Development Committee may also require the Company to remit a sum of approximately USD 10 million or RMB 70 million to increase the plot ratio premium for the Wuxi Hospital's land.
- (iii) In addition, the Wuxi Hospital is currently facing the following liabilities:-

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

- (a) a RMB 6 million short term loan with the Bank of Nanjing Shanghai branch, which will fall due on 12 March 2017;
- (b) a RMB 5.5 million unsecured staff loan bearing interest, which will fall due on 21 March 2017; and
- (c) trade payables of RMB 3.5 million.

The Board is reviewing the above matters and is working with the Company's legal advisors to address the requirements of the Wuxi Development Committee and the liabilities faced by the Wuxi Hospital. The Board will continue to keep its shareholders updated on any material developments involving the Wuxi entities.

II. FURTHER CLAIMS AND/OR DEMANDS RECEIVED BY THE GROUP

In addition, the Board wishes to make an announcement regarding the following further claims received by the Company:

- (i) a claim by Shanghai Zhengchuanben Law Firm (上海市郑传本律师事务所) ("SZLF") against Kang Hui Maternity Centre Services (Shanghai) Co. Ltd ("**Kang Hui Maternity**"), an indirect wholly subsidiary of the Company;
- (ii) a claim by Qi Capital Pte Ltd ("**Qi Capital**") against the Company in HC/S 126/2017;
- (iii) a claim by SG Cash Pte Ltd ("**SG Cash**") against the Company and/or IHC Medical Assets Pte Ltd ("**IHCMA**"), a subsidiary of the Company;
- (iv) a claim by IFS Capital Limited ("**IFS Capital**") against the Company;
- (v) a claim by Tan Eng Soon ("**TES**") against the Company;
- (vi) claims by Celine Kee Guek Keow ("**CKG**") and Yariss Lim Beng Leng ("**YLBL**") against IHC;
- (vii) a claim by Mission Grand Limited ("**MGL**") against the Company in HC/S 206/2016;
- (viii) claims by Mr Fan Kow Hin ("**FKH**") and Mdm Chee Yin Meh ("**CYM**") against the Company and/or IHCMA;
- (ix) a claim by Jenny Chua Lee Hoon ("**JCLH**") against the Company; and
- (x) a claim by Lee Chee Meng ("**LCM**") against the Company,

details of which are set out below.

1. Claim by Shanghai Zhengchuanben Law Firm against Kang Hui Maternity Centre Services (Shanghai) Co. Ltd

On or around 18 November 2016, the Company's previous management received a copy of a reminder letter from SZLF requesting payment of alleged outstanding professional fees of RMB 1 million for legal services rendered to Kang Hui Maternity pursuant to an engagement letter dated 8 May 2015. This matter was brought to the existing Board's attention on 8 February 2017.

Given the existing Board was not involved in or privy to the engagement of the services from SZLF, the Board intends to contact SZLF and the Company's previous management to seek clarifications

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

in relation to the alleged outstanding fees payable, and enter into discussions with SZLF with a view to reaching a settlement on SZLF's claims.

2. Qi Capital Pte Ltd

On or around 14 February 2017, Qi Capital, a creditor of the Company, commenced proceedings against the Company in HC/S 126/2017 for, amongst other things, the sum of S\$313,159.48, being the alleged sums due and owing to Qi Capital under various invoices for fees in acting as an arranger and/or facilitator in relation to a proposed fund raising exercise by the Company. Qi Capital's claim was served on the Company only on or around 16 February 2017.

The Board is reviewing Qi Capital's claims against the Company and will be working with the Company's legal advisors on addressing these claims as well as the proceedings in HC/S 126/2017.

3. SG Cash Pte Ltd

Pursuant to a Letter of Offer dated 29 November 2016, SG Cash had granted IHCMA certain facilities for a principal sum of S\$200,000 to IHCMA and interest (collectively, the **"SG Cash Facility"**). By way of a Deed of Guarantee dated 29 November 2016, FKH and the Company also jointly and severally guaranteed all monies and/or liabilities owed by IHCMA to SG Cash, including but not limited to the sums due and owing under the SG Cash Facility.

On 13 January 2017, IHCMA received a letter from the solicitors from SG Cash demanding for the sum of S\$9,112, being the first instalment payment, accrued interest and late charges allegedly due and owing to SG Cash under the SG Cash Facility. On 13 January 2017, the Company also received a similar letter from the solicitors for SG Cash demanding for the abovesaid sum of S\$9,112, on the basis that the Company had guaranteed IHCMA's debts to SG Cash. These matters were brought to the existing Board's attention on 17 February 2017.

The Board is reviewing SG Cash's claims against the Company and will be working with the Company's legal advisors to address these claims.

4. IFS Capital Limited

On or around 24 October 2014, IFS Capital (**"IFS Facility"**) granted credit facilities to the Company pursuant to a Letter of Offer dated 17 October 2014. In 2017, the Company had also executed a Deed of Assignment in favour of IFS Capital. Pursuant to the Deed of Assignment, the Company had, amongst other things, assigned to IFS Capital its rights, title, interest in and benefits accrued in respect of (i) the balance proceeds from the sale of various Australian properties held by the Company's subsidiaries and (ii) various shareholders' loans due and owing by IHCMA to the Company, as security for all sums due and owing by the Company to IFS Capital, whether under the IFS Facility or otherwise.

On 17 February 2017, the Company received a letter from the solicitors of IFS Capital demanding for the sum of S\$2,587,375.73 plus legal costs and accrued interest due and owing under the IFS Facility. The Board is reviewing IFS Capital's claims against the Company and will be working with its legal advisors to address these claims.

5. Mr Tan Eng Soon

The Company entered into a loan agreement dated 7 October 2016 with TES, for a principal sum of S\$100,000 and interest.

On 10 February 2017, the Company received a letter from TES demanding for the loans due and owing under the abovesaid loan agreement dated 7 October 2016. The Board is reviewing TES'

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

claims against the Company and will be working with the Company's legal advisors to address these claims.

6. Ms Celine Kee and Ms Yarriss Lim

The Company entered into a loan agreement dated 26 August 2016 with CKG and YLBL, for a principal sum of S\$200,000 and interest. The Company also entered into a separate loan agreement dated 1 December 2016 with CKG, for a principal sum of S\$200,000 and interest.

On 11 February 2017, the Company received a notice from CKG demanding for the loans due and owing under the abovesaid loan agreements dated 26 August 2016 and 1 December 2016. The Board is reviewing CKG's claims against the Company and will be working with the Company's legal advisors to address these claims.

7. Mission Grand Limited

On 7 February 2017, MGL, a creditor of the Company, obtained summary judgment against the Company for the sum of S\$356,399.14 in HC/S 206/2016. This matter was brought to the existing Board's attention on or around 8 February 2017 by the Company's solicitors in HC/S 206/2016.

On or around 20 February 2017, the Company was informed that MGL's solicitors had confirmed on 17 February 2017 that the sum of S\$356,399.14 and interest awarded in favour of MGL pursuant to the summary judgment had been fully satisfied. MGL's solicitors also demanded that the Company pay the sum of S\$10,000 to MGL, being the costs awarded in favour of MGL in respect of the summary judgment. The Board is reviewing MGL's latest claims and will work with the Company's legal advisors to address these claims.

8. Ms Jenny Chua Lee Hoon

On or around 22 February 2017, the Company received a letter from JCLH's solicitors demanding for payment of S\$368,214, pursuant to a loan of S\$250,000 allegedly extended by JCLH to the Company together with accrued interest up to 22 February 2017.

The letter states that it is a statutory demand for payment under Section 254(2)(a) read with Section 254(1)(e) of the Companies Act (Cap 50) of Singapore, and unless the sum set out in the letter is paid or are secured or compounded to the reasonable satisfaction of JCLH within twenty one days of the date of service of the letter, the Company would be deemed to be unable to pay the debts and JCLH shall be entitled to present a winding-up application in the High Court for a winding-up order against the Company.

The Board is verifying the claim by JCLH and will be working with its legal advisors to address the same.

9. Mr Lee Chee Meng

On or around 22 February 2017, the Company received a letter from LCM's solicitors demanding for payment of S\$650,000, pursuant to a loan of S\$500,000 allegedly extended by LCM to the Company together with accrued interest up to 26 January 2017.

The letter states that it is a statutory demand for payment under Section 254(2)(a) read with Section 254(1)(e) of the Companies Act (Cap 50) of Singapore, and unless the sum set out in the letter is paid or are secured or compounded to the reasonable satisfaction of LCM within twenty one days of the date of service of the letter, the Company would be deemed to be unable to pay the debts and LCM shall be entitled to present a winding-up application in the High Court for a winding-up order against the Company.

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

The Board is verifying the claim by LCM and will be working with its legal advisors to address the same.

III. CONVENING OF INFORMAL CREDITORS' MEETING

The Board proposes to convene an informal meeting of its creditors ("**Creditors' Meeting**") to provide an update to its creditors on the financial position and affairs of the Company. At the Creditors' Meeting, the Company will also be seeking the support of its creditors to allow a standstill of repayment of amounts which may be owing to them, pending:

- (i) the conclusion of the mandatory unconditional cash offer by Treasure International Holdings Pte Ltd (the "**Offeror**"), a directly owned subsidiary of OUE Limited, to acquire all of the issued and paid up ordinary shares in the capital of the Company not already owned, controlled or acquired by the Offeror and parties acting or deemed acting in concert with it (as announced by the Company on 16 February 2017); and
- (ii) OUE Limited's review of the business and financial situation of the Company and its subsidiaries ("**Group**"), with a view to understanding, addressing and, if necessary, restructuring the financing of the Group. Subject to such review, OUE Limited intends to work towards stabilising the Company's business and financial position (as announced by the Company on 21 February 2017).

The Creditors' Meeting will be held on 10 March 2017 at 2.30 p.m. at 9 Battery Road, MYP Centre #25-01, Singapore 049910.

IV. ANY FURTHER UPDATES

The Company will update shareholders via SGXNET on any further development of the abovementioned matters as and when appropriate. Shareholders and potential investors should exercise caution when trading in the shares of the Company. 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.

V. RESPONSIBILITY STATEMENT

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
22 February 2017

APPENDIX IV – SGXNET ANNOUNCEMENTS ON MATERIAL LITIGATION

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

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

The provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been reproduced below.

ISSUE OF SHARES

3. (A) Subject to the Act and to these presents, no shares may be issued by the Directors without the prior approval of the Company in General Meeting pursuant to Section 161 of the Act, but subject thereto and the terms of such approval, and to Article 5, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and whether or not subject to the payment of any part of the amount thereof in cash or otherwise as the Directors may think fit, and any shares may, subject to compliance with Sections 70 and 75 of the Act, be issued with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions, whether as regards Dividend, return of capital, participation in surplus, voting, conversion or otherwise, as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors in accordance with the Act, Provided Always that no options shall be granted over unissued shares except in accordance with the Act and the Designated Stock Exchange's listing rules.
- (B) The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognize a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.
- (C) Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be issued subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.
5. (A) Subject to any direction to the contrary that may be given by the Company in General Meeting or except permitted by the rules of the Designated Stock Exchange, all new shares shall before issue be offered to such persons who as at the date (as determined by the Directors) of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 5(A).

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

(B) Notwithstanding Article 5(A) above, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:–

- (a) (i) issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and

Provided that:–

- (1) the aggregate number of shares (including shares to be issued pursuant to the Instruments) and the Instruments that may be issued shall not be more than 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which the aggregate number of shares and Instruments to be issued other than on a pro rate basis to existing shareholders of the Company shall be not more than 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company; or
- (2) if the shareholders of the Company approve the mandate for the issue of new ordinary shares by Special Resolution, the limit on the aggregate number of shares and Instruments issued, whether on a pro rate or non pro rate basis, may be up to 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company. Shareholder approval under this Article 5(B)(2) must not be deemed by way of subscription for shares.
- (3) (subject to such calculation as may be prescribed by the Designated Stock Exchange) for the purpose of determining the aggregate number of shares and Instruments that may be issued under Articles 5(B)(1) and 5(B)(2), the percentage of the total number of issued shares (excluding treasury shares) in the capital of the Company is based on the Company’s total number of issued shares (excluding treasury shares) at the time of the passing resolution approving the mandate for the issue of new ordinary shares, after adjusting for:
 - (a) new shares arising from the conversion or exercise of the Instruments;
 - (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate for the issue of new ordinary shares; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

- (4) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).
- (C) The Company may, notwithstanding Articles 5(A) and 5(B) above, authorize the Directors not to offer new shares to Members to whom by reason of foreign securities laws, such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members on such terms and conditions as the Company may direct.
6. The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.
7. (A) Preference shares may be issued subject to such limitation thereof as may be prescribed by any Designated Stock Exchange. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance-sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any General Meeting convened for the purpose of reducing capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the General Meeting directly affects their rights and privileges or when the Dividend on the preference shares is more than six months in arrears.
- (B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

VARIATION OF RIGHTS

8. (A) Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders of three-quarters of the total number of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two or more persons holding at least one-third of the total number of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him where the class is a class of equity shares within the meaning of Section 64(1) of the Act or at least one vote for every share of the class where the class is a class of preference shares within the meaning of Section 180(2) of the Act, Provided Always that where the

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters of the total number of the issued shares of the class concerned within two months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.

- (B) The provisions in Article 8(A) shall *mutatis mutandis* apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.
- (C) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

ALTERATION OF SHARE CAPITAL

9. The Company may by Ordinary Resolution:–

- (a) consolidate and divide all or any of its share capital;
- (b) cancel the number of any shares which, at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled;
- (c) sub-divide its shares, or any of them, Provided Always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be same as it was in the case of the share from which the reduced share is derived;
- (d) convert or exchange any class of shares into or for any other class of shares; and/or
- (e) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attached thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words “non voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”.

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

10. (A) The Company may reduce its share capital or any other undistributable reserve in any manner permitted, and with, and subject to, any incident authorized, and consent or confirmation required, by law.
- (B) The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the provisions of the Statutes and any applicable rules of the Designated Stock Exchange (hereafter, the “Relevant Laws”), on such terms and subject to such conditions as the Company may in General Meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with the Relevant Laws. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these presents and the Statutes, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.

SHARE CERTIFICATES

11. (A) Every share certificate shall be issued under the Seal and shall bear the facsimile signatures or the autographic signatures at least of any two Directors or one of the Directors and the Secretary or such other person as may be authorised by the Directors, and shall specify the number and class of shares to which it relates and the amount paid up and the amount (if any) unpaid thereon. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the Directors of the Company. No certificate shall be issued representing shares of more than one class.
- (B) The provisions in this Article and in Articles 12 to 15 (so far as they are applicable) shall not apply to transfer of book-entry securities.
12. (A) The Company shall not be bound to register more than three persons as joint holders of a share except in the case of executors, trustees or administrators of the estate of a deceased Member.
- (B) In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the joint holders shall be sufficient delivery to all.
13. Every person whose name is entered as a Member in the Register of Members shall be entitled, within ten market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the closing date of any application for shares or (as the case may

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

be) after the date of lodgement of a registrable transfer to one certificate for all his shares of any one class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred.

14. (A) Where a Member transfers part only of the shares comprised in a certificate or where a Member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares (in the case of transfer) and the whole of such shares (in the case of sub-division) shall be issued in lieu thereof and the Member shall pay (in the case of sub-division) a maximum fee of S\$2.00 for each new certificate (or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time). Where some only of the shares comprised in a share certificate are transferred, the new certificate for the balance of such shares shall be issued in lieu thereof without charge.
- (B) Any two or more certificates representing shares of any one class held by any Member may at his request be cancelled and a single new certificate for such shares issued in lieu thereof without charge.
15. Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a written indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Designated Stock Exchange or on behalf of its or their client or clients as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate, and in any case on payment of such sum not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereon as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to, and to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

CALLS ON SHARES

16. The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed and may be made payable by instalments.
17. Each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

18. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest in whole or in part.
19. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In the case of non-payment, all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
20. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
21. The Directors may if they think fit receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made and upon the moneys so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the Member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, whilst bearing interest, confer a right to participate in profits.

FORFEITURE AND LIEN

22. If a Member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.
23. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be made forfeit.
24. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be made forfeit by a resolution of the Directors to that effect. Such forfeiture shall include all Dividends declared in respect of the forfeit share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be made forfeit hereunder.
25. A share so made forfeit or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

sale, re-allotment or disposal, the forfeiture or surrender may be cancelled on such terms as the Directors shall think fit. The Directors may, if necessary, authorize some person to transfer a share so made forfeit or surrendered to any such other person as aforesaid.

26. A Member whose shares have been made forfeit or surrendered shall cease to be a Member in respect of such shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of such shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of such shares at that time of forfeiture or surrender or waive payment in whole or in part.
27. The Company shall have a first and paramount lien on every share (not being a fully paid share) and Dividends from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article 27.
28. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.
29. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, as he may direct. For the purpose of giving effect to any such sale, the Directors may authorize some person to transfer the shares sold to the purchaser.
30. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly made forfeit or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, the Depository Register) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share, or where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

TRANSFER OF SHARES

31. All transfers of shares shall be effected by written instruments of transfer in the form for the time being approved by the Directors and the Designated Stock Exchange. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, Provided Always that an instrument of transfer in respect of which the transferee is the CDP shall be effective although not signed or witnessed by or on behalf of the CDP. The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.
32. The Registers of Members and of Transfers may be closed at such times and for such periods as the Directors may from time to time determine, Provided Always that such Registers shall not be closed for more than thirty days in any year, and that the Company shall give prior notice of each such closure, as may be required, to the Designated Stock Exchange, stating the period and purpose or purposes for which such closure is made.
33. (A) There shall be no restriction on the transfer of fully paid up shares (except where required by law or by the rules, bye-laws or listing rules of the Designated Stock Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve, Provided Always that in the event of the Directors refusing to register a transfer of shares, the Company shall within ten market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.
- (B) The Directors may decline to register any instrument of transfer unless:–
- (a) such fee not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require is paid to the Company in respect thereof;
 - (b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;
 - (c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if stamp duty is payable on such instrument of transfer in accordance with any law for the time being in force relating to stamp duty), the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
 - (d) the instrument of transfer is in respect of only one class of shares.

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

34. All instruments of transfer which are registered may be retained by the Company.
35. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all Dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, Provided Always that:–
- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
 - (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and
 - (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

36. (A) In case of the death of a Member whose name is registered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognized by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.
- (B) In the case of the death of a Member who is a Depositor, the survivors or survivor, where the deceased is a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder and where such executors or administrators are entered into the Depository Register in respect of any shares to the deceased Member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.
- (C) Nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

37. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, elect either to be registered himself as holder of the share or to have another person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member.
38. Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share in consequence of the death or bankruptcy of a Member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same Dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to General Meetings of the Company until he shall have been registered as a Member in respect of the share.
39. There shall be paid to the Company in respect of the registration of any probate or letters of administration or certificate of death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require or prescribe.

STOCK

42. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares of any denomination.
43. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same presents as and subject to which the shares from which the stock arose might previous to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.
44. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

PROCEEDINGS AT GENERAL MEETINGS

51. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any General Meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the Members present shall choose one of their number) to be chairman of the General Meeting.
52. No business other than the appointment of a Chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two Members, present in person or by proxy, provided that (i) a proxy representing more than one Member shall only count as one Member for purpose of determining if the quorum aforesaid is present; and (ii) where a Member is represented by more than one proxy, such proxies of such Member shall only count as one Member for purposes of determining if the quorum aforesaid is present.
53. If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may determine by not less than ten days' notice appoint.
54. The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a General Meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors. When a General Meeting is adjourned for thirty days or more or *sine die*, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.
55. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting.
56. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the General Meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

57. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:–
- (a) the chairman of the meeting; or
 - (b) not less than two Members present in person or by proxy and entitled to vote; or
 - (c) any Member present in person or by proxy, or where such a member has appointed two proxies any one of such proxies, or any number or combination of such Members or proxies, holding or representing as the case may be not less than one-tenth of the total voting rights of all the Members having the right to vote at the General Meeting; or
 - (d) any Member present in person or by proxy, or where such a Member has appointed two proxies any one of such proxies, or any number or combination of such Members or proxies, holding shares conferring a right to vote at the General Meeting, of which an aggregate sum has been paid up equal to not less than 10 per cent. of the total sum paid on all the shares conferring that right,
- Provided Always that no poll shall be demanded on the choice of the chairman of the meeting or on a question of adjournment. A demand for a poll may be withdrawn only with the approval of the meeting.
58. Unless a poll is required, a declaration by the chairman of the General Meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the General Meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the General Meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
59. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.
60. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the chairman of the Meeting may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the General Meeting for the transaction of any business other than the question on which the poll has been demanded.

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

VOTES OF MEMBERS

61. Subject to any special rights or restrictions as to voting attached by or in accordance with these presents to any class of shares, and to Article 4, each Member entitled to vote may vote in person or by proxy. On a show of hands every Member who is present in person or by proxy shall have one vote (provided that in the case of a Member who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the Chairman of the General Meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands) and on a poll every Member who is present in person or by proxy shall have one vote for every share of which he holds or represents. For the purposes of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the references to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by CDP to the Company. A Member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a Member, or attend, vote or act at any General Meeting.
62. Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.
63. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or, as the case may be, the order in which the names appear in the Depository Register in respect of the joint holding.
64. Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such Member, to vote in person or by proxy at any General Meeting, or to exercise any other right conferred by Membership in relation to General Meetings.
65. No Member shall be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by Membership in relation to General Meetings if any call or other sum payable by him to the Company in respect of such shares remains unpaid.
66. No objection shall be raised as to the admissibility of any vote except at the General Meeting or adjourned General Meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the General Meeting whose decision shall be final and conclusive.

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

67. On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
68. (A) A Member shall not be entitled to appoint more than two proxies to attend and vote at the same General Meeting, provided that if a Member is a Depositor, the Company shall be entitled and bound:–
- (a) to reject any instrument of proxy lodged if the Depositor, is not shown, to have any shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by CDP to the Company; and
 - (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered into against the name of that Depositor in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by CDP to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.
- (B) Where a Member appoints more than one proxy, the Member shall specify the proportion of his shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.
- (C) A proxy need not be a Member of the Company.
69. (A) An instrument appointing a proxy for any Member shall be in writing in any usual or common form or in any other form which the Directors may approve and:–
- (a) in the case of an individual Member, shall be signed by the Member or his attorney duly authorised in writing; and
 - (b) in the case of a Member which is a corporation shall be either given under its common seal or signed on its behalf by an attorney duly authorised in writing or a duly authorized officer of the corporation.
- (B) The signatures on an instrument of proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of a Member by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument of proxy may be treated as invalid.
70. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting (or, if no place is so specified, at the Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the General Meeting as

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

for the meeting to which it relates, Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

71. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and to speak at the General Meeting.
72. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the General Meeting or adjourned General Meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.
73. Subject to these presents and the Statutes, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

CORPORATIONS ACTING BY REPRESENTATIVES

74. Any corporation which is a Member of the Company may by resolution of its Directors or other governing body authorize such person as it thinks fit to act as its representative at any General Meeting. The person so authorized shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for the purposes of these presents (but subject to the Act) be deemed to be present in person at any such meeting if a person so authorized is present thereat.

DIVIDENDS

127. The Company may by Ordinary Resolution declare Dividends but no such Dividend shall exceed the amount recommended by the Directors.
128. If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed Dividends on any class of shares carrying a fixed Dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim Dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

129. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:–

- (a) all Dividends in respect of shares must be paid in proportion to the number of shares held by a Member, but where shares are partly paid, all Dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and
- (b) all Dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the Dividend is paid.

For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.

130. (A) No Dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All Dividends remaining unclaimed after one year from having been first payable may be invested or otherwise made use of by the Directors for the benefit of the Company, and any Dividend or any such moneys unclaimed after six (6) years from having been first payable shall be forfeited and shall revert to the Company provided always that the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the Dividend so forfeited to the person entitled thereto prior to the forfeiture. If CDP returns any such Dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such Dividend or moneys against the Company if a period of six (6) years has elapsed from the date of the declaration of such Dividend or the date on which such other moneys are first payable.

(B) A payment by the Company to CDP of any Dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.

131. No Dividend or other monies payable on or in respect of a share shall bear interest as against the Company.

132. (A) The Directors may retain any Dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(B) The Directors may retain the Dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

133. The waiver in whole or in part of any Dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the Member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
134. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a Dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises with regard to such distribution, the Directors may settle the same as they think expedient and in particular, may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any Member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.
135. Any Dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of the Member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such Member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.
136. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any Dividend or other moneys payable or property distributable on or in respect of the share.
137. Any resolution declaring a Dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the Dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such Dividend of transferors and transferees of any such shares.
138. (A) Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary shares of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit.

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

In such case, the following provisions shall apply:

- (a) the basis of any such allotment shall be determined by the Directors;
- (b) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article;
- (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and
- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the “elected ordinary shares”) and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and (notwithstanding any provision of the Articles to the contrary), the Directors shall be empowered to do all things necessary and convenient for the purpose of implementing the aforesaid including, without limitation, the making of each necessary allotment of shares and of each necessary appropriation, capitalisation, application, payment and distribution of funds which may be lawfully appropriated, capitalised, applied, paid or distributed for the purpose of the allotment and without prejudice to the generality of the foregoing the Directors may (i) capitalise and apply the amount standing to the credit of any of the Company’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.

APPENDIX V – EXTRACT OF RELEVANT REGULATIONS IN THE CONSTITUTION OF THE COMPANY

- (B) (a) The ordinary shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.
- (b) The Directors may do all acts and things considered necessary or expedient to give effect to any appropriation, capitalisation, application, payment and distribution of funds pursuant to the provisions of paragraph (A) of this Article, with full power to make such provisions as they think fit in the case of fractional entitlements to shares (including, notwithstanding any provision to the contrary in these Articles, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down), or whereby the benefit of fractional entitlements accrues to the Company rather than the members) and to authorize any person to enter on behalf of all the members interested into an agreement with the Company providing for any such appropriation, capitalisation, application, payment and distribution of funds and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

APPENDIX VI – VALUATION CERTIFICATES

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Hikari Heights Varus Kotoni Valuation Certificate

International Healthway Corporation Limited

Date: March 10, 2017

Certificate No: 17 – 136 – 3

A handwritten signature in black ink that reads "Nagai".

Yoshinori Nagai
Real Estate Appraiser, MRICS

Colliers International
16-26, Roppongi 3-chome, Minato-ku, Tokyo
Member of Japan Association of Real Estate Appraisers

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APPENDIX VI – VALUATION CERTIFICATES



Preface

Hikari Heights Varus
Kotoni
Valuation Certificate

March 2017

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6. The certificate is a product which has a meaning in its entirety, and each part relates to other parts thereof. Therefore, the appraisers serve responsibility for the product in its entirety and not for documents other than the certificate submitted, such as articles, abstracts, summaries, reconstructed sentences, contents that have been edited or added, or replications.

APPENDIX VI – VALUATION CERTIFICATES



Valuation Certificate

Property: Hikari Heights Varus Kotoni
8 and other lots, 24ken 4jo 1-chome,
Nishi-ku, Sapporo City, Hokkaido
Prefecture, Japan

Client: International Healthway Corporation Limited

Owner: IHC Japan First TMK

Purpose:



The Valuation Summary and the accompanying Valuation Certificates have been prepared for the inclusion in the circular to Shareholders of International Healthway Corporation Limited, a company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited, in connection with the mandatory unconditional general cash offer by Standard Chartered Bank and Credit Suisse (Singapore) Limited for and on behalf of Treasure International Holdings Pte. Ltd. a direct wholly-owned subsidiary of OUE Limited, to acquire all the issued and paid-up ordinary shares in the capital of International Healthway Corporation Limited.

Interest Valued: Freehold

Basis of Valuation Market Value

Land Area: 11,032.94 sq m (registered)

Town Planning: City Planning Area, Urbanization Promotion Area

Zoning: Quasi-Industrial Lot

Site coverage ratio: 60%

Floor area ratio: 200%

Height Restriction Area (up to 33m), Sunshade Restriction (4m, 4h - 2.5h)

Special zoning (Category II Mixed Area of residential, commercial and industrial), Landscape Planning Area

Brief Description: The subject property is a 14-storey paid nursing home building, located approximately 500m southeast of JR Hakodate Main Line Kotoni Station. Each floor



APPENDIX VI – VALUATION CERTIFICATES



comprises several types of rooms. There are 281 units in total (one-bedroom type and two-bedroom type from 1st floor to 13th floor).

Tenancy Profile: Signed 30-year long-term lease agreement.
Lease Condition: 30 years of lease term (standard lease)
NRA: 20,756.44 sq m (6,278.82 tsubo)
Valuation Approaches: Discounted Cash Flow Method / Direct Capitalization Method
Date of Valuation: December 31, 2016
Assessed Value: 6,020,000,000yen
Capitalization Rate: 4.6%
Terminal Capitalization Rate: 4.7%
Discount Rate: 4.4%
Value psm of 290,000yen / sq m

NRA:

Assumptions, Disclaimers, Limitations & Qualifications This opinion report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

Prepared By: Colliers International Tokyo



APPENDIX VI – VALUATION CERTIFICATES

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Current Rent Roll

Appendix 1

(Unit: Yen)																		
FLR	Tenant	Type	Commencement (Original CNT)	Commencement (Current CNT)	Expiration of CNT	Occupancy	Use	㎡	Tsubo	Monthly Rent	Unit rent/Tb	Monthly CAM	Unit CAM/Tb	Monthly rent with CAM	Unit price with CAM/Tb	Deposi t (mos)	Deposit (net)	
1~14F	Corporation	Standard	04/25/13	04/25/13	04/24/43	Occupied	Nursing home	20,756.44	6,278.82	27,000,000	4,300	0	0	27,000,000	4,300	6.0	162,000,000	
								Totals(occupied)	20,756.44	6,278.82	27,000,000	—	0	—	27,000,000	—	—	162,000,000
								Totals(vacant)	0.00	0.00	0	—	0	—	0	—	—	0
Vacancy Rate		0.0%																
								Totals	20,756.44	6,278.82	27,000,000	—	0	—	27,000,000	—	—	162,000,000

※ Based on the master lease agreement

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Direct Capitalization Estimate Table

Appendix 2

Unit: Yen

1	Rent Revenue						
	Nursing home	4,300yen/Tb	×	6,278.82Tb	×	12months	324,000,000
2	CAM Income						
	Nursing home	0yen/Tb	×	6,278.82Tb	×	12months	0
3	Other revenues (reimbursement)						
	Car parking	0yen/car	×	0cars	×	12months	0
	Key money etc.						0
	Renewal fee						0
	Utilities						0
	Motorcycle						0
	Other revenue	ground rent					6,000
4	PGI Total (1-3)						324,006,000
5	Vacancy loss					(vacancy rate)	
	Nursing home					0.0%	0
a	EGI (4-5)						324,006,000
6	Repairs						0
7	Maintenance						0
8	Utilities						0
9	PM fee	EGI(excluding key money, renewal fee, and accompanied cost)			×	1.0%	3,240,060
10	Taxes						
	Land			Assumption			1,522,543
	Building			Assumption			28,527,652
	Depreciable asset			Assumption			220,060
11	Insurance	The percentage of building replacement cost				0.03%	1,129,680
12	Lease-up cost						900,000
13	Other expenses						0
b	Total expense Total (6-13)			Operating expense ratio		(11.0%)	35,539,995
c	NOI (a – b)						288,466,005
14	(+) Interest on deposit			Rate of return on deposit		(0.5%)	810,000
15	(-) Capital expenditure	per rentable area		1,684 yen/Tb			10,576,067
d	Net cash flow (c +14 – 15)						278,699,938
e	Cap rate (NCF basis)			(NOI basis)		4.8%	4.6%
Income capitalization approach value		per NRA	965,149 yen/Tb	(291,958yen/㎡)			6,060,000,000

[Remarks]

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

DCF Method Estimate Table

Appendix 3

1. Net Present Value Based on DCF Analysis

Unit : Yen

①	②							③
Present Value of NCF(10years)	A NCF of 11th year	B Terminal Cap Rate	C Sales proceed at the end of year 10	D Cost of Sales	E Net Sales Proceed	F Present Value Factor	G Present Value of Net Sales Proceed	Based on DCF Analysis
			A+B	C × 2.0%	C-D		E×F	①+②
2,237,480,767 37.20%	278,699,938	4.7%	5,929,785,922	118,595,718	5,811,190,204	0.6501	3,777,854,751 62.80%	6,015,335,518 6,020,000,000

2. Rate applied

Discount rate	4.4%
Terminal cap rate (NCF basis)	4.7%

3. Cash Flow

Unit : Yen

	Date of valuation 2016/12/31	Year- 1 2017/12/31	Year- 2 2018/12/31	Year- 3 2019/12/31	Year- 4 2020/12/31	Year- 5 2021/12/31	Year- 6 2022/12/31	Year- 7 2023/12/31	Year- 8 2024/12/31	Year- 9 2025/12/31	Year- 10 2026/12/31	Year- 11
Rent income		324,000,000	324,000,000	324,000,000	324,000,000	324,000,000	324,000,000	324,000,000	324,000,000	324,000,000	324,000,000	324,000,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
CAM		0	0	0	0	0	0	0	0	0	0	0
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Car parking		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Key money etc.		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Renewal fee		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Motorcycle		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Other revenue		6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
PGI		324,006,000	324,006,000	324,006,000	324,006,000	324,006,000	324,006,000	324,006,000	324,006,000	324,006,000	324,006,000	324,006,000
(-)Vacancy loss (Rented space)		0	0	0	0	0	0	0	0	0	0	0
See DCF CF Estimate Table		—	—	—	—	—	—	—	—	—	—	—
(-)Vacancy loss (Parking space)		0	0	0	0	0	0	0	0	0	0	0
Vacancy		—	—	—	—	—	—	—	—	—	—	—
EGI		324,006,000	324,006,000	324,006,000	324,006,000	324,006,000	324,006,000	324,006,000	324,006,000	324,006,000	324,006,000	324,006,000
Repairs		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Maintenance		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PM fee (EG)×1.0%		0	0	0	0	0	0	0	0	0	0	3,240,060
Change		—	—	—	—	—	—	—	—	—	—	—
Tax (Land)		1,522,543	1,522,543	1,522,543	1,522,543	1,522,543	1,522,543	1,522,543	1,522,543	1,522,543	1,522,543	1,522,543
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Tax (Building)		31,257,255	31,257,255	30,319,537	30,319,537	30,319,537	29,409,951	29,409,951	29,409,951	28,527,652	28,527,652	28,527,652
Change		±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%
Tax (Depreciable asset)		220,060	220,060	220,060	220,060	220,060	220,060	220,060	220,060	220,060	220,060	220,060
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Insurance		1,129,680	1,129,680	1,129,680	1,129,680	1,129,680	1,129,680	1,129,680	1,129,680	1,129,680	1,129,680	1,129,680
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Lease-up cost		0	0	0	0	0	0	0	0	0	0	900,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	+100.0%
Other expenses		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Total expense		34,129,538	34,129,538	33,191,820	33,191,820	33,191,820	32,282,234	32,282,234	32,282,234	31,399,935	31,399,935	35,539,995
Expense ratio		10.5%	10.5%	10.2%	10.2%	10.2%	10.0%	10.0%	10.0%	9.7%	9.7%	11.0%
NOI		289,876,462	289,876,462	290,814,180	290,814,180	290,814,180	291,723,766	291,723,766	291,723,766	292,606,065	292,606,065	288,466,005
(+)Return on deposit	0.5%	810,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000
Effective deposit		162,000,000	162,000,000	162,000,000	162,000,000	162,000,000	162,000,000	162,000,000	162,000,000	162,000,000	162,000,000	162,000,000
(-)Capital expenditure		10,576,067	10,576,067	10,576,067	10,576,067	10,576,067	10,576,067	10,576,067	10,576,067	10,576,067	10,576,067	10,576,067
NCF		280,110,395	280,110,395	281,048,113	281,048,113	281,048,113	281,957,699	281,957,699	281,957,699	282,839,998	282,839,998	278,699,938
Present Value Factor		0.9579	0.9175	0.8788	0.8418	0.8063	0.7723	0.7398	0.7086	0.6787	0.6501	
Present value of NCF		268,317,748	257,001,288	246,985,082	236,586,302	226,609,094	217,755,931	208,592,306	199,795,226	191,963,507	183,874,283	

[Note]

APPENDIX VI – VALUATION CERTIFICATES

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Hikari Heights Varus Makomanai-Koen Valuation Certificate

International Healthway Corporation Limited

Date: March 10, 2017

Certificate No: 17 – 137 – 4

A handwritten signature in cursive script that reads "Nagai".

Yoshinori Nagai
Real Estate Appraiser, MRICS

Colliers International
16-26, Roppongi 3-chome, Minato-ku, Tokyo
Member of Japan Association of Real Estate Appraisers

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APPENDIX VI – VALUATION CERTIFICATES



Preface

Hikari Heights Varus
Makomanai-Koen
Valuation Certificate

March 2017

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4. The assignment expresses a view of the appraisers as an opinion value based on the analysis of the determinants of value by conducting researches judged to be appropriate by the appraisers within constraint of time and budget, and the certificate content is only valid at the date of valuation. If knowledge or a fact, which is beyond the above scope of work, is found after the date of valuation, a new analysis assignment may become necessary to reflect those knowledge or fact.
5. While the appraisers will use information obtained through the original research, data provided by the client, hearings that are considered necessary, public information, and data regarding real estate comparable sales with the care of good manager as an expert, the responsibility is owed for the process of use, and appraisers do not guarantee the content of the information.
6. The certificate is a product which has a meaning in its entirety, and each part relates to other parts thereof. Therefore, the appraisers serve responsibility for the product in its entirety and not for documents other than the certificate submitted, such as articles, abstracts, summaries, reconstructed sentences, contents that have been edited or added, or replications.

APPENDIX VI – VALUATION CERTIFICATES



Valuation Certificate

Property: Hikari Heights Varus Makomanai-Koen
1-1, Makomanaimidorimachi 1-chome,
Minami-ku, Sapporo City, Hokkaido
Prefecture, Japan

Client: International Healthway Corporation Limited

Owner: IHC Japan First TMK

Purpose: The Valuation Summary and the



accompanying Valuation Certificates have been prepared for the inclusion in the circular to Shareholders of International Healthway Corporation Limited, a company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited, in connection with the mandatory unconditional general cash offer by Standard Chartered Bank and Credit Suisse (Singapore) Limited for and on behalf of Treasure International Holdings Pte. Ltd. a direct wholly-owned subsidiary of OUE Limited, to acquire all the issued and paid-up ordinary shares in the capital of International Healthway Corporation Limited.

Interest Valued: Freehold

Basis of Valuation Market Value

Land Area: 6,652.96 sq m (registered)

Town Planning: City Planning Area, Urbanization Promotion Area

Zoning: Category II Mid/High-Rise Exclusive Residential Lot

Site coverage ratio: 60%

Floor area ratio: 200%

Height Restriction Area (up to 27m), Sunshade Restriction (4m, 3h - 2h)

Landscape Planning Area, Designated area for wall surface line

Brief Description: The subject property is a 10-storey paid nursing home building, located approximately 1km northwest of Sapporo City Subway Nanboku Line Makomanai Station. Each floor comprises several types of rooms. There are 157 units in total (one-bedroom type and two-bedroom type from 2nd floor to 10th floor).



APPENDIX VI – VALUATION CERTIFICATES



Tenancy Profile:	Signed 30-year long-term lease agreement.
Lease Condition:	30 years of lease term (standard lease)
NRA:	13,301.30 sq m (4,023.64 tsubo)
Valuation Approaches:	Discounted Cash Flow Method / Direct Capitalization Method
Date of Valuation:	December 31, 2016
Assessed Value:	4,240,000,000yen
Capitalization Rate:	4.7%
Terminal Capitalization Rate:	4.8%
Discount Rate:	4.5%
Value psm of NRA:	319,000yen / sq m
Assumptions, Disclaimers, Limitations & Qualifications	This opinion report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.
Prepared By:	Colliers International Tokyo



APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Current Rent Roll

Appendix 1

(Unit: Yen)																		
FLR	Tenant	Type	Commencement (Original CNT)	Commencement (Current CNT)	Expiration of CNT	Occupancy	Use	㎡	Tsubo	Monthly Rent	Unit rent/Tb	Monthly CAM	Unit CAM/Tb	Monthly rent with CAM	Unit price with CAM/Tb	Deposi t (mos)	Deposit (net)	
1～10F	Corporation	Standard	04/25/13	04/25/13	04/24/43	Occupied	Nursing home	13,301.30	4,023.64	19,400,000	4,822	0	0	19,400,000	4,822	6.0	116,400,000	
								Totals(occupied)	13,301.30	4,023.64	19,400,000	—	0	—	19,400,000	—	—	116,400,000
								Totals(vacant)	0.00	0.00	0	—	0	—	0	—	—	0
Vacancy Rate		0.0%																
								Totals	13,301.30	4,023.64	19,400,000	—	0	—	19,400,000	—	—	116,400,000

※ Based on the master lease agreement

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Direct Capitalization Estimate Table

Appendix 2

Unit: Yen

1	Rent Revenue						
	Nursing home	4,822yen/Tb	×	4,023.64Tb	×	12months	232,800,000
2	CAM Income						
	Nursing home	0yen/Tb	×	4,023.64Tb	×	12months	0
3	Other revenues (reimbursement)						
	Car parking	0yen/car	×	0cars	×	12months	0
	Key money etc.						0
	Renewal fee						0
	Utilities						0
	Motorcycle						0
	Other revenue	ground rent					7,500
4	PGI Total (1-3)						232,807,500
5	Vacancy loss					(vacancy rate)	
	Nursing home					0.0%	0
a	EGI (4-5)						232,807,500
6	Repairs						0
7	Maintenance						0
8	Utilities						0
9	PM fee	EGI(excluding key money, renewal fee, and accompanied cost)			×	1.0%	2,328,075
10	Taxes						
	Land					Assumption	1,248,538
	Building					Assumption	18,521,027
	Depreciable asset					Assumption	240,236
11	Insurance					The percentage of building replacement cost	718,530
12	Lease-up cost						646,667
13	Other expenses						0
b	Total expense Total (6-13)					Operating expense ratio (10.2%)	23,703,073
c	NOI (a – b)						209,104,427
14	(+) Interest on deposit					Rate of return on deposit (0.5%)	582,000
15	(-) Capital expenditure	per rentable area		2,184 yen/Tb			8,785,875
d	Net cash flow (c +14 – 15)						200,900,552
e	Cap rate (NCF basis)					(NOI basis) 4.9%	4.7%
Income capitalization approach value		per NRA		1,061,227 yen/Tb		(321.021yen/㎡)	4,270,000,000

[Remarks]

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

DCF Method Estimate Table

Appendix 3

1. Net Present Value Based on DCF Analysis

Unit : Yen

①	②							③
Present Value of NCF(10years)	A NCF of 11th year	B Terminal Cap Rate	C Sales proceed at the end of year 10	D Cost of Sales	E Net Sales Proceed	F Present Value Factor	G Present Value of Net Sales Proceed	Based on DCF Analysis
			A+B	C × 2.0%	C-D		E×F	①+②
1,605,693,348 37.81%	200,900,552	4.8%	4,185,428,174	83,708,563	4,101,719,611	0.6439	2,641,097,257 62.19%	4,246,790,605 4,240,000,000

2. Rate applied

Discount rate	4.5%
Terminal cap rate (NCF basis)	4.8%

3. Cash Flow

Unit : Yen

	Date of valuation	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5	Year- 6	Year- 7	Year- 8	Year- 9	Year- 10	Year- 11
	2016/12/31	2017/12/31	2018/12/31	2019/12/31	2020/12/31	2021/12/31	2022/12/31	2023/12/31	2024/12/31	2025/12/31	2026/12/31	
Rent income		232,800,000	232,800,000	232,800,000	232,800,000	232,800,000	232,800,000	232,800,000	232,800,000	232,800,000	232,800,000	232,800,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
CAM		0	0	0	0	0	0	0	0	0	0	0
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Car parking		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Key money etc.		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Renewal fee		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Motorcycle		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Other revenue		7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
PGI		232,807,500	232,807,500	232,807,500	232,807,500	232,807,500	232,807,500	232,807,500	232,807,500	232,807,500	232,807,500	232,807,500
(-)Vacancy loss (Rented space)		0	0	0	0	0	0	0	0	0	0	0
See DCF CF Estimate Table		—	—	—	—	—	—	—	—	—	—	—
(-)Vacancy loss (Parking space)		0	0	0	0	0	0	0	0	0	0	0
Vacancy		—	—	—	—	—	—	—	—	—	—	—
EGI		232,807,500	232,807,500	232,807,500	232,807,500	232,807,500	232,807,500	232,807,500	232,807,500	232,807,500	232,807,500	232,807,500
Repairs		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Maintenance		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PM fee (EG)×1.0%		0	0	0	0	0	0	0	0	0	0	2,328,075
Change		—	—	—	—	—	—	—	—	—	—	—
Tax (Land)		1,248,538	1,248,538	1,248,538	1,248,538	1,248,538	1,248,538	1,248,538	1,248,538	1,248,538	1,248,538	1,248,538
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Tax (Building)		20,293,168	20,293,168	19,684,373	19,684,373	19,684,373	19,093,842	19,093,842	19,093,842	18,521,027	18,521,027	18,521,027
Change		±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%
Tax (Depreciable asset)		240,236	240,236	240,236	240,236	240,236	240,236	240,236	240,236	240,236	240,236	240,236
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Insurance		718,530	718,530	718,530	718,530	718,530	718,530	718,530	718,530	718,530	718,530	718,530
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Lease-up cost		0	0	0	0	0	0	0	0	0	0	646,667
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	+100.0%
Other expenses		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Total expense		22,500,472	22,500,472	21,891,677	21,891,677	21,891,677	21,301,146	21,301,146	21,301,146	20,728,331	20,728,331	23,703,073
Expense ratio		9.7%	9.7%	9.4%	9.4%	9.4%	9.1%	9.1%	9.1%	8.9%	8.9%	10.2%
NOI		210,307,028	210,307,028	210,915,823	210,915,823	210,915,823	211,506,354	211,506,354	211,506,354	212,079,169	212,079,169	209,104,427
(+)Return on deposit	0.5%	582,000	582,000	582,000	582,000	582,000	582,000	582,000	582,000	582,000	582,000	582,000
Effective deposit		116,400,000	116,400,000	116,400,000	116,400,000	116,400,000	116,400,000	116,400,000	116,400,000	116,400,000	116,400,000	116,400,000
(-)Capital expenditure		8,785,875	8,785,875	8,785,875	8,785,875	8,785,875	8,785,875	8,785,875	8,785,875	8,785,875	8,785,875	8,785,875
NCF		202,103,153	202,103,153	202,711,948	202,711,948	202,711,948	203,302,479	203,302,479	203,302,479	203,875,294	203,875,294	200,900,552
Present Value Factor		0.9569	0.9157	0.8763	0.8386	0.8025	0.7679	0.7348	0.7032	0.6729	0.6439	
Present value of NCF		193,392,507	185,065,857	177,636,480	169,994,240	162,676,338	156,115,974	149,386,662	142,962,303	137,187,685	131,275,302	

[Note]

APPENDIX VI – VALUATION CERTIFICATES

Confidential



Elysion Mamigaoka, Elysion Mamigaoka Annex Valuation Certificate

International Healthway Corporation Limited

Date: March 10, 2017

Certificate No: 17 – 136 – 10

Watanabe

Yutaka Watanabe
Real Estate Appraiser

Colliers International
16-26, Roppongi 3-chome, Minato-ku, Tokyo
Member of Japan Association of Real Estate Appraisers

In undertaking a real estate opinion, the appraiser maintained a fair and reasonable attitude regardless of his/her own self interests or any other reasons, and the appraiser conducted real estate opinions impartially in accordance with proper moral conduct. The opinions, estimates and information provided or otherwise in relation hereto are made by Colliers International in its best judgment, in the utmost good faith and as far as possible based on data or sources which Colliers International believe to be reliable in the context hereto. Notwithstanding, we disclaim any liability in respect of any claim, which may arise from any errors or omissions or from providing such advice, opinions, judgment or information. This document is prepared as a desktop update based on the previous certificate submitted by Colliers International without site inspection or detailed due diligence of the subject property. The value estimated herein may differ from the one in the further appraisal.

APPENDIX VI – VALUATION CERTIFICATES



Preface

Elyson Mamigaoka,
Elyson Mamigaoka
Annex
Valuation Certificate

March 2017

Confidential

1. This certificate (hereinafter referred to as “the certificate”) is produced by a certified real estate appraiser, and is issued by Colliers International (hereinafter referred to as “the Company”)
2. No part of this certificate may be reproduced or transmitted in any form by any means without the prior permission of the Company.
3. Explanations regarding the content of the certificate will be provided only to those requested by the client. From a confidentiality perspective, the company will not respond to requests for explanations from third parties unless the client's consent is obtained.
4. The assignment expresses a view of the appraisers as an opinion value based on the analysis of the determinants of value by conducting researches judged to be appropriate by the appraisers within constraint of time and budget, and the certificate content is only valid at the date of valuation. If knowledge or a fact, which is beyond the above scope of work, is found after the date of valuation, a new analysis assignment may become necessary to reflect those knowledge or fact.
5. While the appraisers will use information obtained through the original research, data provided by the client, hearings that are considered necessary, public information, and data regarding real estate comparable sales with the care of good manager as an expert, the responsibility is owed for the process of use, and appraisers do not guarantee the content of the information.
6. The certificate is a product which has a meaning in its entirety, and each part relates to other parts thereof. Therefore, the appraisers serve responsibility for the product in its entirety and not for documents other than the certificate submitted, such as articles, abstracts, summaries, reconstructed sentences, contents that have been edited or added, or replications.

APPENDIX VI – VALUATION CERTIFICATES



Valuation Certificate

Property:	Elyson Mamigaoka, Elyson Mamigaoka Annex 1-1 and other lots, Umamiminami 4-chome, Koryocho, Kitakatsuragi-gun, Nara Prefecture, Japan	
Client:	International Healthway Corporation Limited	
Owner:	IHC Japan First TMK	
Purpose:	The Valuation Summary and the accompanying Valuation Certificates have been prepared for the inclusion in the circular to Shareholders of International Healthway Corporation Limited, a company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited, in connection with the mandatory unconditional general cash offer by Standard Chartered Bank and Credit Suisse (Singapore) Limited for and on behalf of Treasure International Holdings Pte. Ltd. a direct wholly-owned subsidiary of OUE Limited, to acquire all the issued and paid-up ordinary shares in the capital of International Healthway Corporation Limited.	
Interest Valued:	Freehold	
Basis of Valuation	Market Value	
Land Area:	6,997.21 sq m (registered)	
Town Planning:	City planning area, Urbanization Promotion Area Category I Mid/High-Rise Exclusive Residential Lot / BCR: 50% / FAR: 150% / Sunshade Restriction (4m, 3h-2h)	
Brief Description:	The subject property is a 5-storey paid nursing home building and a 4-storey paid nursing home building, located approximately 1,400m northeast of Kintetsu Osaka Line Goido Station. There are 160 units in total (one-bedroom type and two-bedroom type).	
Tenancy Profile:	Signed 30-year long-term lease agreement.	



APPENDIX VI – VALUATION CERTIFICATES



Lease Condition:	30 years of lease term (standard lease)
NRA:	10,258.85 sq m (3,103.30 tsubo)
Valuation Approaches:	Discounted Cash Flow Method / Direct Capitalization Method
Date of Valuation:	December 31, 2016
Assessed Value:	2,380,000,000yen
Capitalization Rate:	4.9%
Terminal Capitalization Rate:	5.0%
Discount Rate:	4.7%
Value psm of NRA:	232,000yen / sq m
Assumptions, Disclaimers, Limitations & Qualifications	This opinion report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.
Prepared By:	Colliers International Tokyo



APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Current Rent Roll

Appendix 1

(Unit: Yen)

FLR	Tenant	Type	Commencement (Original CNT)	Commencement (Current CNT)	Expiration of CNT	Occupancy	Use	㎡	Tsubo	Monthly Rent	Unit rent/Tb	Monthly CAM	Unit CAM/Tb	Monthly rent with CAM	Unit price with CAM/Tb	Deposit (mos)	Deposit (net)
Elyson Mamiyaoka: 1~5F Elyson Mamiyaoka Annex: 1~4F	Corporation	Standard	04/25/13	04/25/13	04/24/43	Occupied	Nursing home	10,258.85	3,103.30	11,220,000	3,616	0	0	11,220,000	3,616	4.0	44,880,000
								Totals(occupied)	10,258.85	3,103.30	11,220,000	—	0	—	11,220,000	—	44,880,000
								Totals(vacant)	0.00	0.00	0	—	0	—	0	—	0
								Totals	10,258.85	3,103.30	11,220,000	—	0	—	11,220,000	—	44,880,000
Vacancy Rate	0.0%																

※ Based on the master lease agreement

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Direct Capitalization Estimate Table

Appendix 2

Unit: Yen

1	Rent Revenue					
	Nursing home	3,616yen/Tb	×	3,103.30Tb	×	12months
2	CAM Income					
	Nursing home	0yen/Tb	×	3,103.30Tb	×	12months
3	Other revenues (reimbursement)					
	Car parking					0
	Key money etc.					0
	Renewal fee					0
	Utilities					0
	Motorcycle					0
	Other revenue					0
4	PGL Total (1-3)					134,640,000
5	Vacancy loss				(vacancy rate)	
	Nursing home				0.0%	0
a	EGI (4-5)					134,640,000
6	Repairs					0
7	Maintenance					0
8	Utilities					0
9	PM fee	EGI(excluding key money, renewal fee, and accompanied cost)			×	1.0%
						1,346,400
10	Taxes					
	Land				Based on the actual amounts	998,100
	Building				Based on the actual amounts	5,958,477
	Depreciable asset				Based on the actual amounts	0
11	Insurance			The percentage of building replacement cost	0.06%	1,396,480
12	Lease-up cost					374,000
13	Other expenses					0
b	Total expense Total (6-13)				Operating expense ratio (7.5%)	10,073,457
c	NOI (a – b)					124,566,543
14	(+) Interest on deposit				Rate of return on deposit (0.5%)	224,400
15	(-) Capital expenditure			per rentable area	2,468 yen/Tb	7,658,500
d	Net cash flow (c +14 – 15)					117,132,443
e	Cap rate (NCF basis)				(NOI basis) 5.2%	4.9%
Direct capitalization approach value		per NRA	770,147 yen/Tb		(232,970yen/m ²)	2,390,000,000

[Remarks]

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

DCF Method Estimate Table

Appendix 3

1. Net Present Value Based on DCF Analysis

Unit : Yen

①	A	B	C	D	E	F	G	③
Present Value of NCF(10years)	NCF of 11th year	Terminal Cap Rate	Sales proceed at the end of year 10	Cost of Sales	Net Sales Proceed	Present Value Factor	Present Value of Net Sales Proceed	Based on DCF Analysis
			A+B	C × 2.0%	C-D		E×F	①+②
928,858,821 39.04%	117,132,443	5.0%	2,342,648,860	46,852,977	2,295,795,883	0.6317	1,450,254,259 60.96%	2,379,113,080 ≒ 2,380,000,000

2. Rate applied

Discount rate	4.7%
Terminal cap rate (NCF basis)	5.0%

3. Cash Flow

Unit : Yen

	Date of valuation 2016/12/31	Year- 1 2017/12/31	Year- 2 2018/12/31	Year- 3 2019/12/31	Year- 4 2020/12/31	Year- 5 2021/12/31	Year- 6 2022/12/31	Year- 7 2023/12/31	Year- 8 2024/12/31	Year- 9 2025/12/31	Year- 10 2026/12/31	Year- 11
Rent income		134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
CAM		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Car parking		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Key money etc.		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Renewal fee		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Motorcycle		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Other revenue		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PGI		134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000
(-)Vacancy loss (Rented space)		0	0	0	0	0	0	0	0	0	0	0
See DCF CF Estimate Table		—	—	—	—	—	—	—	—	—	—	—
(-)Vacancy loss (Parking space)		0	0	0	0	0	0	0	0	0	0	0
Vacancy		—	—	—	—	—	—	—	—	—	—	—
EGI		134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000	134,640,000
Repairs		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Maintenance		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PM fee (EG1×1.0%)		0	0	0	0	0	0	0	0	0	0	1,346,400
Change		—	—	—	—	—	—	—	—	—	—	—
Tax (Land)		998,100	998,100	998,100	998,100	998,100	998,100	998,100	998,100	998,100	998,100	998,100
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Tax (Building)		6,528,600	6,528,600	6,332,742	6,332,742	6,332,742	6,142,760	6,142,760	6,142,760	5,958,477	5,958,477	5,958,477
Change		±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%
Tax (Depreciable asset)		0	0	0	0	0	0	0	0	0	0	0
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Insurance		1,396,480	1,396,480	1,396,480	1,396,480	1,396,480	1,396,480	1,396,480	1,396,480	1,396,480	1,396,480	1,396,480
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Lease-up cost		0	0	0	0	0	0	0	0	0	0	374,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	+100.0%
Other expenses		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Total expense		8,923,180	8,923,180	8,727,322	8,727,322	8,727,322	8,537,340	8,537,340	8,537,340	8,353,057	8,353,057	10,073,457
Expense ratio		6.6%	6.6%	6.5%	6.5%	6.5%	6.3%	6.3%	6.3%	6.2%	6.2%	7.5%
NOI		125,716,820	125,716,820	125,912,678	125,912,678	125,912,678	126,102,660	126,102,660	126,102,660	126,286,943	126,286,943	124,566,543
(+)Return on deposit	0.5%	224,400	224,400	224,400	224,400	224,400	224,400	224,400	224,400	224,400	224,400	224,400
Effective deposit		44,880,000	44,880,000	44,880,000	44,880,000	44,880,000	44,880,000	44,880,000	44,880,000	44,880,000	44,880,000	44,880,000
(-)Capital expenditure		7,658,500	7,658,500	7,658,500	7,658,500	7,658,500	7,658,500	7,658,500	7,658,500	7,658,500	7,658,500	7,658,500
NCF		118,282,720	118,282,720	118,478,578	118,478,578	118,478,578	118,668,560	118,668,560	118,668,560	118,852,843	118,852,843	117,132,443
Present Value Factor		0.9551	0.9122	0.8713	0.8322	0.7948	0.7591	0.7251	0.6925	0.6614	0.6317	
Present value of NCF		112,971,826	107,897,497	103,230,385	98,597,873	94,166,774	90,081,304	86,046,573	82,177,978	78,609,270	75,079,341	

[Note]

APPENDIX VI – VALUATION CERTIFICATES

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Varus Cuore Sapporo-Kita Valuation Certificate

International Healthway Corporation Limited

Date: March 10, 2017

Certificate No: 17 – 137 – 6

A handwritten signature in black ink, appearing to read "Nagai", written over a light blue horizontal line.

Yoshinori Nagai
Real Estate Appraiser, MRICS

Colliers International
16-26, Roppongi 3-chome, Minato-ku, Tokyo
Member of Japan Association of Real Estate Appraisers

In undertaking a real estate opinion, the appraiser maintained a fair and reasonable attitude regardless of his/her own self interests or any other reasons, and the appraiser conducted real estate opinions impartially in accordance with proper moral conduct. The opinions, estimates and information provided or otherwise in relation hereto are made by Colliers International in its best judgment, in the utmost good faith and as far as possible based on data or sources which Colliers International believe to be reliable in the context hereto. Notwithstanding, we disclaim any liability in respect of any claim, which may arise from any errors or omissions or from providing such advice, opinions, judgment or information. This document is prepared as a desktop update based on the previous certificate submitted by Colliers International without site inspection or detailed due diligence of the subject property. The value estimated herein may differ from the one in the further appraisal.

APPENDIX VI – VALUATION CERTIFICATES



Preface

Varus Cuore Sapporo-
Kita
Valuation Certificate

March 2017

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5. While the appraisers will use information obtained through the original research, data provided by the client, hearings that are considered necessary, public information, and data regarding real estate comparable sales with the care of good manager as an expert, the responsibility is owed for the process of use, and appraisers do not guarantee the content of the information.
6. The certificate is a product which has a meaning in its entirety, and each part relates to other parts thereof. Therefore, the appraisers serve responsibility for the product in its entirety and not for documents other than the certificate submitted, such as articles, abstracts, summaries, reconstructed sentences, contents that have been edited or added, or replications.

APPENDIX VI – VALUATION CERTIFICATES



Valuation Certificate

Property: Varus Cuore Sapporo-Kita
3-1 and other lots, Tonden 8jo 9-chome,
Kita-ku, Sapporo City, Hokkaido Prefecture,
Japan

Client: International Healthway Corporation Limited

Owner: IHC Japan First TMK

Purpose: The Valuation Summary and the



accompanying Valuation Certificates have been prepared for the inclusion in the circular to Shareholders of International Healthway Corporation Limited, a company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited, in connection with the mandatory unconditional general cash offer by Standard Chartered Bank and Credit Suisse (Singapore) Limited for and on behalf of Treasure International Holdings Pte. Ltd. a direct wholly-owned subsidiary of OUE Limited, to acquire all the issued and paid-up ordinary shares in the capital of International Healthway Corporation Limited.

Interest Valued: Freehold

Basis of Valuation Market Value

Land Area: 2,683.83 sq m (registered)

Town Planning: City Planning Area, Urbanization Promotion Area

Zoning: Category I Residential Lot

Site coverage ratio: 60%

Floor area ratio: 200%

Height Restriction Area (up to 18m), Sunshade Restriction (4m, 4h - 2.5h)

Tonden Chubu District (Designated Residential A District), Landscape Planning Area

Brief Description: The subject property is a 5-storey paid nursing home building, located approximately 4.0km northwest of JR Gakuentoshi Line Taihei Station. Each floor comprises several types of rooms. There are 126 units in total (one-bedroom type and two-bedroom type from 1st floor to 5th floor).



APPENDIX VI – VALUATION CERTIFICATES



Tenancy Profile:	Signed 30-year long-term lease agreement.
Lease Condition:	30 years of lease term (standard lease)
NRA:	5,213.32 sq m (1,577.03 tsubo)
Valuation Approaches:	Discounted Cash Flow Method / Direct Capitalization Method
Date of Valuation:	December 31, 2016
Assessed Value:	1,680,000,000yen
Capitalization Rate:	4.9%
Terminal Capitalization Rate:	5.0%
Discount Rate:	4.7%
Value psm of NRA:	322,000yen / sq m
Assumptions, Disclaimers, Limitations & Qualifications	This opinion report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.
Prepared By:	Colliers International Tokyo



APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Current Rent Roll

Appendix 1

(Unit: Yen)																		
FLR	Tenant	Type	Commencement (Original CNT)	Commencement (Current CNT)	Expiration of CNT	Occupancy	Use	㎡	Tsubo	Monthly Rent	Unit rent/Tb	Monthly CAM	Unit CAM/Tb	Monthly rent with CAM	Unit price with CAM/Tb	Deposi t (mos)	Deposit (net)	
1~5F	Corporation	Standard	04/25/13	04/25/13	04/24/43	Occupied	Nursing home	5,213.32	1,577.03	7,904,762	5,012	0	0	7,904,762	5,012	6.0	47,428,572	
								Totals(occupied)	5,213.32	1,577.03	7,904,762	—	0	—	7,904,762	—	—	47,428,572
								Totals(vacant)	0.00	0.00	0	—	0	—	0	—	—	0
								Totals	5,213.32	1,577.03	7,904,762	—	0	—	7,904,762	—	—	47,428,572
Vacancy Rate		0.0%																
※ Based on the master lease agreement																		

※ Based on the master lease agreement

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Direct Capitalization Estimate Table

Appendix 2

Unit: Yen

1	Rent Revenue						
	Nursing home	5,012yen/Tb	×	1,577.03Tb	×	12months	94,857,144
2	CAM Income						
	Nursing home	0yen/Tb	×	1,577.03Tb	×	12months	0
3	Other revenues (reimbursement)						
	Car parking	0yen/car	×	0cars	×	12months	0
	Key money etc.						0
	Renewal fee						0
	Utilities						0
	Motorcycle						0
	Other revenue	ground rent					3,000
4	PGI Total (1-3)						94,860,144
5	Vacancy loss					(vacancy rate)	
	Nursing home					0.0%	0
a	EGI (4-5)						94,860,144
6	Repairs						0
7	Maintenance						0
8	Utilities						0
9	PM fee	EGI(excluding key money, renewal fee, and accompanied cost)	×			1.0%	948,601
10	Taxes						
	Land			Assumption			238,233
	Building			Assumption			5,865,117
	Depreciable asset			Assumption			159,870
11	Insurance			The percentage of building replacement cost		0.03%	303,914
12	Lease-up cost						263,492
13	Other expenses						0
b	Total expense Total (6-13)			Operating expense ratio		(8.2%)	7,779,227
c	NOI (a – b)						87,080,917
14	(+) Interest on deposit			Rate of return on deposit		(0.5%)	237,143
15	(-) Capital expenditure	per rentable area		3,003 yen/Tb			4,735,792
d	Net cash flow (c +14 – 15)						82,582,269
e	Cap rate (NCF basis)			(NOI basis)		5.2%	4.9%
	Income capitalization approach value	per NRA		1,071,635 yen/Tb		(324,170yen/㎡)	1,690,000,000

[Remarks]

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

DCF Method Estimate Table

Appendix 3

1. Net Present Value Based on DCF Analysis

Unit : Yen

①	②							③
Present Value of NCF(10years)	A NCF of 11th year	B Terminal Cap Rate	C Sales proceed at the end of year 10	D Cost of Sales	E Net Sales Proceed	F Present Value Factor	G Present Value of Net Sales Proceed	Based on DCF Analysis
			A+B	C × 2.0%	C-D		E×F	①+②
654,199,210 39.02%	82,582,268	5.0%	1,651,645,370	33,032,907	1,618,612,463	0.6317	1,022,477,493 60.98%	1,676,676,703 1,680,000,000

2. Rate applied

Discount rate	4.7%
Terminal cap rate (NCF basis)	5.0%

3. Cash Flow

Unit : Yen

	Date of valuation 2016/12/31	Year- 1 2017/12/31	Year- 2 2018/12/31	Year- 3 2019/12/31	Year- 4 2020/12/31	Year- 5 2021/12/31	Year- 6 2022/12/31	Year- 7 2023/12/31	Year- 8 2024/12/31	Year- 9 2025/12/31	Year- 10 2026/12/31	Year- 11
Rent income		94,857,144	94,857,144	94,857,144	94,857,144	94,857,144	94,857,144	94,857,144	94,857,144	94,857,144	94,857,144	94,857,144
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
CAM		0	0	0	0	0	0	0	0	0	0	0
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Car parking		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Key money etc.		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Renewal fee		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Motorcycle		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Other revenue		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
PGI		94,860,144	94,860,144	94,860,144	94,860,144	94,860,144	94,860,144	94,860,144	94,860,144	94,860,144	94,860,144	94,860,144
(-)Vacancy loss (Rented space)		0	0	0	0	0	0	0	0	0	0	0
See DCF CF Estimate Table		—	—	—	—	—	—	—	—	—	—	—
(-)Vacancy loss (Parking space)		0	0	0	0	0	0	0	0	0	0	0
Vacancy		—	—	—	—	—	—	—	—	—	—	—
EGI		94,860,144	94,860,144	94,860,144	94,860,144	94,860,144	94,860,144	94,860,144	94,860,144	94,860,144	94,860,144	94,860,144
Repairs		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Maintenance		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PM fee (EG)×1.0%		0	0	0	0	0	0	0	0	0	0	948,601
Change		—	—	—	—	—	—	—	—	—	—	—
Tax (Land)		238,233	238,233	238,233	238,233	238,233	238,233	238,233	238,233	238,233	238,233	238,233
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Tax (Building)		6,426,307	6,426,307	6,233,518	6,233,518	6,233,518	6,046,512	6,046,512	6,046,512	5,865,117	5,865,117	5,865,117
Change		±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%
Tax (Depreciable asset)		159,870	159,870	159,870	159,870	159,870	159,870	159,870	159,870	159,870	159,870	159,870
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Insurance		303,914	303,914	303,914	303,914	303,914	303,914	303,914	303,914	303,914	303,914	303,914
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Lease-up cost		0	0	0	0	0	0	0	0	0	0	263,492
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	+100.0%
Other expenses		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Total expense		7,128,324	7,128,324	6,935,535	6,935,535	6,935,535	6,748,529	6,748,529	6,748,529	6,567,134	6,567,134	7,779,227
Expense ratio		7.5%	7.5%	7.3%	7.3%	7.3%	7.1%	7.1%	7.1%	6.9%	6.9%	8.2%
NOI		87,731,820	87,731,820	87,924,609	87,924,609	87,924,609	88,111,615	88,111,615	88,111,615	88,293,010	88,293,010	87,080,917
(+)Return on deposit	0.5%	237,143	237,143	237,143	237,143	237,143	237,143	237,143	237,143	237,143	237,143	237,143
Effective deposit		47,428,572	47,428,572	47,428,572	47,428,572	47,428,572	47,428,572	47,428,572	47,428,572	47,428,572	47,428,572	47,428,572
(-)Capital expenditure		4,735,792	4,735,792	4,735,792	4,735,792	4,735,792	4,735,792	4,735,792	4,735,792	4,735,792	4,735,792	4,735,792
NCF		83,233,172	83,233,172	83,425,961	83,425,961	83,425,961	83,612,967	83,612,967	83,612,967	83,794,362	83,794,362	82,582,268
Present Value Factor		0.9551	0.9122	0.8713	0.8322	0.7948	0.7591	0.7251	0.6925	0.6614	0.6317	
Present value of NCF		79,496,002	75,925,299	72,689,039	69,427,084	66,306,953	63,470,603	60,627,762	57,901,979	55,421,591	52,932,898	

[Note]

APPENDIX VI – VALUATION CERTIFICATES

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Varus Cuore Sapporo-Kita Annex Valuation Certificate

International Healthway Corporation Limited

Date: March 10, 2017

Certificate No: 17 – 137 – 7

A handwritten signature in black ink that reads "Nagai".

Yoshinori Nagai
Real Estate Appraiser, MRICS

Colliers International
16-26, Roppongi 3-chome, Minato-ku, Tokyo
Member of Japan Association of Real Estate Appraisers

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APPENDIX VI – VALUATION CERTIFICATES



Preface

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Kita Annex
Valuation Certificate

March 2017

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APPENDIX VI – VALUATION CERTIFICATES



Valuation Certificate

Property: Varus Cuore Sapporo-Kita Annex
3-20 and other lots, Tonden 8jo 9-chome,
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Owner: IHC Japan First TMK

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Zoning: Category I Residential Lot

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Floor area ratio: 200%

Height Restriction Area (up to 18m), Sunshade Restriction (4m, 4h - 2.5h)

Tonden Chubu District (Designated Residential A District), Landscape Planning Area

Brief Description: The subject property is a 3-storey paid nursing home building, located approximately 4.0km northwest of JR Gakuentoshi Line Taihei Station. Each floor comprises the similar types of rooms. There are 90 units in total (one-bedroom type from 1st floor to 3th floor).



APPENDIX VI – VALUATION CERTIFICATES



Tenancy Profile:	Signed approx. 30-year long-term lease agreement.
Lease Condition:	28.6 years of lease term (standard lease)
NRA:	2,423.28 sq m (733.04 tsubo)
Valuation Approaches:	Discounted Cash Flow Method / Direct Capitalization Method
Date of Valuation:	December 31, 2016
Assessed Value:	984,000,000yen
Capitalization Rate:	4.9%
Terminal Capitalization Rate:	5.0%
Discount Rate:	4.7%
Value psm of NRA:	406,000yen / sq m
Assumptions, Disclaimers, Limitations & Qualifications	This opinion report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.
Prepared By:	Colliers International Tokyo



APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Current Rent Roll

Appendix 1

(Unit: Yen)																		
FLR	Tenant	Type	Commencement (Original CNT)	Commencement (Current CNT)	Expiration of CNT	Occupancy	Use	㎡	Tsubo	Monthly Rent	Unit rent/Tb	Monthly CAM	Unit CAM/Tb	Monthly rent with CAM	Unit price with CAM/Tb	Deposi t (mos)	Deposit (net)	
1~3F	Corporation	Standard	09/30/14	09/30/14	04/24/43	Occupied	Nursing home	2,423.28	733.04	4,500,000	6,139	0	0	4,500,000	6,139	6.0	27,000,000	
								Totals(occupied)	2,423.28	733.04	4,500,000	—	0	—	4,500,000	—	—	27,000,000
								Totals(vacant)	0.00	0.00	0	—	0	—	0	—	—	0
Vacancy Rate		0.0%																
								Totals	2,423.28	733.04	4,500,000	—	0	—	4,500,000	—	—	27,000,000

※ Based on the master lease agreement

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Direct Capitalization Estimate Table

Appendix 2

Unit: Yen

1	Rent Revenue						
	Nursing home	6,139yen/Tb	×	733.04Tb	×	12months	54,000,000
2	CAM Income						
	Nursing home	0yen/Tb	×	733.04Tb	×	12months	0
3	Other revenues (reimbursement)						
	Car parking	0yen/car	×	0cars	×	12months	0
	Key money etc.						0
	Renewal fee						0
	Utilities						0
	Motorcycle						0
	Other revenue	ground rent					3,000
4	PGI Total (1-3)						54,003,000
5	Vacancy loss					(vacancy rate)	
	Nursing home					0.0%	0
a	EGI (4-5)						54,003,000
6	Repairs						0
7	Maintenance						0
8	Utilities						0
9	PM fee	EGI(excluding key money, renewal fee, and accompanied cost)			×	1.0%	540,030
10	Taxes						
	Land			Assumption			229,492
	Building			Assumption			3,594,508
	Depreciable asset			Assumption			526,130
11	Insurance	The percentage of building replacement cost				0.03%	138,956
12	Lease-up cost						150,000
13	Other expenses						0
b	Total expense Total (6-13)			Operating expense ratio		(9.6%)	5,179,116
c	NOI (a – b)						48,823,884
14	(+) Interest on deposit			Rate of return on deposit		(0.5%)	135,000
15	(-) Capital expenditure	per rentable area		669 yen/Tb			490,292
d	Net cash flow (c +14 – 15)						48,468,592
e	Cap rate (NCF basis)			(NOI basis)		4.9%	4.9%
Income capitalization approach value		per NRA	1,349,172 yen/Tb	(408,125yen/㎡)			989,000,000

[Remarks]

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

DCF Method Estimate Table

Appendix 3

1. Net Present Value Based on DCF Analysis

Unit : Yen

①	②							③
Present Value of NCF(10years)	A NCF of 11th year	B Terminal Cap Rate	C Sales proceed at the end of year 10	D Cost of Sales	E Net Sales Proceed	F Present Value Factor	G Present Value of Net Sales Proceed	Based on DCF Analysis
			A+B	C × 2.0%	C-D		E×F	①+②
383,729,195 39.00%	48,468,592	5.0%	969,371,840	19,387,437	949,984,403	0.6317	600,105,148 61.00%	983,834,343 984,000,000

2. Rate applied

Discount rate	4.7%
Terminal cap rate (NCF basis)	5.0%

3. Cash Flow

Unit : Yen

	Date of valuation 2016/12/31	Year- 1 2017/12/31	Year- 2 2018/12/31	Year- 3 2019/12/31	Year- 4 2020/12/31	Year- 5 2021/12/31	Year- 6 2022/12/31	Year- 7 2023/12/31	Year- 8 2024/12/31	Year- 9 2025/12/31	Year- 10 2026/12/31	Year- 11
Rent income		54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
CAM		0	0	0	0	0	0	0	0	0	0	0
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Car parking		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Key money etc.		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Renewal fee		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Motorcycle		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Other revenue		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
PGI		54,003,000	54,003,000	54,003,000	54,003,000	54,003,000	54,003,000	54,003,000	54,003,000	54,003,000	54,003,000	54,003,000
(-)Vacancy loss (Rented space)		0	0	0	0	0	0	0	0	0	0	0
See DCF CF Estimate Table		—	—	—	—	—	—	—	—	—	—	—
(-)Vacancy loss (Parking space)		0	0	0	0	0	0	0	0	0	0	0
Vacancy		—	—	—	—	—	—	—	—	—	—	—
EGI		54,003,000	54,003,000	54,003,000	54,003,000	54,003,000	54,003,000	54,003,000	54,003,000	54,003,000	54,003,000	54,003,000
Repairs		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Maintenance		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PM fee (EG)×1.0%		0	0	0	0	0	0	0	0	0	0	540,030
Change		—	—	—	—	—	—	—	—	—	—	—
Tax (Land)		229,492	229,492	229,492	229,492	229,492	229,492	229,492	229,492	229,492	229,492	229,492
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Tax (Building)		3,938,440	3,938,440	3,820,287	3,820,287	3,820,287	3,705,678	3,705,678	3,705,678	3,594,508	3,594,508	3,594,508
Change		±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%
Tax (Depreciable asset)		526,130	526,130	526,130	526,130	526,130	526,130	526,130	526,130	526,130	526,130	526,130
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Insurance		138,956	138,956	138,956	138,956	138,956	138,956	138,956	138,956	138,956	138,956	138,956
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Lease-up cost		0	0	0	0	0	0	0	0	0	0	150,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	+100.0%
Other expenses		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Total expense		4,833,018	4,833,018	4,714,865	4,714,865	4,714,865	4,600,256	4,600,256	4,600,256	4,489,086	4,489,086	5,179,116
Expense ratio		8.9%	8.9%	8.7%	8.7%	8.7%	8.5%	8.5%	8.5%	8.3%	8.3%	9.6%
NOI		49,169,982	49,169,982	49,288,135	49,288,135	49,288,135	49,402,744	49,402,744	49,402,744	49,513,914	49,513,914	48,823,884
(+)Return on deposit	0.5%	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Effective deposit		27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000
(-)Capital expenditure		490,292	490,292	490,292	490,292	490,292	490,292	490,292	490,292	490,292	490,292	490,292
NCF		48,814,690	48,814,690	48,932,843	48,932,843	48,932,843	49,047,452	49,047,452	49,047,452	49,158,622	49,158,622	48,468,592
Present Value Factor		0.9551	0.9122	0.8713	0.8322	0.7948	0.7591	0.7251	0.6925	0.6614	0.6317	
Present value of NCF		46,622,910	44,528,760	42,635,186	40,721,912	38,891,824	37,231,921	35,564,307	33,965,360	32,513,513	31,053,502	

[Note]

APPENDIX VI – VALUATION CERTIFICATES

Confidential



Hikari Heights Varus Fujino Valuation Certificate

International Healthway Corporation Limited

Date: March 10, 2016

Certificate No: 17 – 136 – 1

A handwritten signature in cursive script, appearing to read "Nagai", written in dark ink.

Yoshinori Nagai
Real Estate Appraiser, MRICS

Colliers International
16-26, Roppongi 3-chome, Minato-ku, Tokyo
Member of Japan Association of Real Estate Appraisers

In undertaking a real estate opinion, the appraiser maintained a fair and reasonable attitude regardless of his/her own self interests or any other reasons, and the appraiser conducted real estate opinions impartially in accordance with proper moral conduct. The opinions, estimates and information provided or otherwise in relation hereto are made by Colliers International in its best judgment, in the utmost good faith and as far as possible based on data or sources which Colliers International believe to be reliable in the context hereto. Notwithstanding, we disclaim any liability in respect of any claim, which may arise from any errors or omissions or from providing such advice, opinions, judgment or information. This document is prepared as a desktop update based on the previous certificate submitted by Colliers International without site inspection or detailed due diligence of the subject property. The value estimated herein may differ from the one in the further appraisal.

APPENDIX VI – VALUATION CERTIFICATES



Preface

Hikari Heights Varus
Fujino
Valuation Certificate

March 2017

Confidential

1. This certificate (hereinafter referred to as “the certificate”) is produced by a certified real estate appraiser, and is issued by Colliers International (hereinafter referred to as “the Company”)
2. No part of this certificate may be reproduced or transmitted in any form by any means without the prior permission of the Company.
3. Explanations regarding the content of the certificate will be provided only to those requested by the client. From a confidentiality perspective, the company will not respond to requests for explanations from third parties unless the client's consent is obtained.
4. The assignment expresses a view of the appraisers as an opinion value based on the analysis of the determinants of value by conducting researches judged to be appropriate by the appraisers within constraint of time and budget, and the certificate content is only valid at the date of valuation. If knowledge or a fact, which is beyond the above scope of work, is found after the date of valuation, a new analysis assignment may become necessary to reflect those knowledge or fact.
5. While the appraisers will use information obtained through the original research, data provided by the client, hearings that are considered necessary, public information, and data regarding real estate comparable sales with the care of good manager as an expert, the responsibility is owed for the process of use, and appraisers do not guarantee the content of the information.
6. The certificate is a product which has a meaning in its entirety, and each part relates to other parts thereof. Therefore, the appraisers serve responsibility for the product in its entirety and not for documents other than the certificate submitted, such as articles, abstracts, summaries, reconstructed sentences, contents that have been edited or added, or replications.

APPENDIX VI – VALUATION CERTIFICATES



Valuation Certificate

Property: Hikari Heights Varus Fujino
240-1 and other lots, Fujino 3jo 11-chome,
Minami-ku, Sapporo City, Hokkaido
Prefecture, Japan

Client: International Healthway Corporation Limited

Owner: IHC Japan First TMK

Purpose: The Valuation Summary and the



accompanying Valuation Certificates have
been prepared for the inclusion in the
circular to Shareholders of International
Healthway Corporation Limited, a company
listed on the Catalist Board of the Singapore
Exchange Securities Trading Limited, in
connection with the mandatory
unconditional general cash offer by Standard
Chartered Bank and Credit Suisse
(Singapore) Limited for and on behalf of
Treasure International Holdings Pte. Ltd. a
direct wholly-owned subsidiary of OUE
Limited, to acquire all the issued and paid-up
ordinary shares in the capital of International
Healthway Corporation Limited.

Interest Valued: Freehold

Basis of Valuation Market Value

Land Area: 7,230.00 sq m (registered)

Town Planning: (Within 60m from the street centerline of Route 230)

City Planning Area, Urbanization Promotion Area

Zoning: Category I Residential Lot

Site coverage ratio: 60%

Floor area ratio: 200%

Height Restriction Area (up to 18m), Sunshade Restriction (4m, 4h - 2.5h)

Land Development Construction Regulated Area, Landscape Planning Area

(Farther than 60m from the street centerline of Route 230)

City Planning Area, Urbanization Promotion Area

Zoning: Category I Low-Rise Exclusive Residential Lot



APPENDIX VI – VALUATION CERTIFICATES



	Site coverage ratio: 40%
	Floor area ratio: 80%
	Height Control Area (up to 10m), Sunshade Restriction (1.5m, 3h - 2h)
	Land Development Construction Regulated Area, Landscape Planning Area,
	North side slant line regulation, Special Zoning (Districts for the Preservation of the
	Residential Environment), Minimum site area (165 sq m), Wall setback area (1m)
Brief Description:	The subject property is a 9-storey and a 13-storey paid nursing home building, located approximately 10km southwest of Sapporo City Subway Nanboku Line Makomanai Station. Each floor comprises several types of rooms. There are 144 units in total (one-bedroom type and two-bedroom type from 2nd floor to 13th floor).
Tenancy Profile:	Signed 30-year long-term lease agreement.
Lease Condition:	30 years of lease term (standard lease)
NRA:	9,781.80 sq m (2,958.99 tsubo)
Valuation Approaches:	Discounted Cash Flow Method / Direct Capitalization Method
Date of Valuation:	December 31, 2016
Assessed Value:	1,620,000,000yen
Capitalization Rate:	5.0%
Terminal Capitalization Rate:	5.1%
Discount Rate:	4.8%
Value psm of NRA:	166,000yen / sq m
Assumptions, Disclaimers, Limitations & Qualifications	This opinion report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.
Prepared By:	Colliers International Tokyo

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Current Rent Roll

Appendix 1

(Unit: Yen)																		
FLR	Tenant	Type	Commencement (Original CNT)	Commencement (Current CNT)	Expiration of CNT	Occupancy	Use	㎡	Tsubo	Monthly Rent	Unit rent/Tb	Monthly CAM	Unit CAM/Tb	Monthly rent with CAM	Unit price with CAM/Tb	Deposit (mos)	Deposit (net)	
1～13F	Corporation	Standard	04/25/13	04/25/13	04/24/43	Occupied	Nursing home	9,781.80	2,958.99	8,600,000	2,906	0	0	8,600,000	2,906	6.0	51,600,000	
								Totals(occupied)	9,781.80	2,958.99	8,600,000	—	0	—	8,600,000	—	—	51,600,000
								Totals(vacant)	0.00	0.00	0	0	0	0	0	0	0	0
Vacancy Rate								0.0%										
								Totals	9,781.80	2,958.99	8,600,000	—	0	—	8,600,000	—	—	51,600,000

※ Based on the master lease agreement

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Direct Capitalization Estimate Table

Appendix 2

				Unit: Yen
1	Rent Revenue			
	Nursing home	2,906yen/Tb	× 2,958.99Tb × 12months	103,200,000
2	CAM Income			
	Nursing home	0yen/Tb	× 2,958.99Tb × 12months	0
3	Other revenues (reimbursement)			
	Car parking	0yen/car	× 0cars × 12months	0
	Key money etc.			0
	Renewal fee			0
	Utilities			0
	Motorcycle			0
	Other revenue			0
4	PGI Total (1-3)			103,200,000
5	Vacancy loss		(vacancy rate)	
	Nursing home		0.0%	0
a	EGI (4-5)			103,200,000
6	Repairs			0
7	Maintenance			0
8	Utilities			0
9	PM fee	EGI(excluding key money, renewal fee, and accompanied cost)	× 1.0%	1,032,000
10	Taxes			
	Land		Assumption	285,067
	Building		Assumption	11,191,014
	Depreciable asset		Assumption	15,015
11	Insurance	The percentage of building replacement cost	0.03%	530,160
12	Lease-up cost			286,667
13	Other expenses			0
b	Total expense Total (6-13)		Operating expense ratio (12.9%)	13,339,923
c	NOI (a – b)			89,860,077
14	(+) Interest on deposit		Rate of return on deposit (0.5%)	258,000
15	(-) Capital expenditure	per rentable area	2,892 yen/Tb	8,555,983
d	Net cash flow (c +14 – 15)			81,562,094
e	Cap rate (NCF basis)		(NOI basis) 5.5%	5.0%
Income capitalization approach value		per NRA	550,863 yen/Tb (166,636yen/㎡)	1,630,000,000

[Remarks]

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

DCF Method Estimate Table

Appendix 3

1. Net Present Value Based on DCF Analysis

Unit : Yen

①	②							③
Present Value of NCF(10years)	A NCF of 11th year	B Terminal Cap Rate	C Sales proceed at the end of year 10	D Cost of Sales	E Net Sales Proceed	F Present Value Factor	G Present Value of Net Sales Proceed	Based on DCF Analysis
			A+B	C × 2.0%	C-D		E×F	①+②
641,743,348 39.56%	81,562,094	5.1%	1,599,256,745	31,985,135	1,567,271,610	0.6257	980,641,846 60.44%	1,622,385,194 1,620,000,000

2. Rate applied

Discount rate	4.8%
Terminal cap rate (NCF basis)	5.1%

3. Cash Flow

Unit : Yen

	Date of valuation	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5	Year- 6	Year- 7	Year- 8	Year- 9	Year- 10	Year- 11
	2016/12/31	2017/12/31	2018/12/31	2019/12/31	2020/12/31	2021/12/31	2022/12/31	2023/12/31	2024/12/31	2025/12/31	2026/12/31	
Rent income		103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
CAM		0	0	0	0	0	0	0	0	0	0	0
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Car parking		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Key money etc.		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Renewal fee		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Motorcycle		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Other revenue		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PGI		103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000
(-)Vacancy loss (Rented space)		0	0	0	0	0	0	0	0	0	0	0
See DCF CF Estimate Table		—	—	—	—	—	—	—	—	—	—	—
(-)Vacancy loss (Parking space)		0	0	0	0	0	0	0	0	0	0	0
Vacancy		—	—	—	—	—	—	—	—	—	—	—
EGI		103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000	103,200,000
Repairs		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Maintenance		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PM fee (EG)×1.0%		0	0	0	0	0	0	0	0	0	0	1,032,000
Change		—	—	—	—	—	—	—	—	—	—	—
Tax (Land)		285,067	285,067	285,067	285,067	285,067	285,067	285,067	285,067	285,067	285,067	285,067
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Tax (Building)		12,261,800	12,261,800	11,893,946	11,893,946	11,893,946	11,537,128	11,537,128	11,537,128	11,191,014	11,191,014	11,191,014
Change		±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%
Tax (Depreciable asset)		15,015	15,015	15,015	15,015	15,015	15,015	15,015	15,015	15,015	15,015	15,015
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Insurance		530,160	530,160	530,160	530,160	530,160	530,160	530,160	530,160	530,160	530,160	530,160
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Lease-up cost		0	0	0	0	0	0	0	0	0	0	286,667
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	+100.0%
Other expenses		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Total expense		13,092,042	13,092,042	12,724,188	12,724,188	12,724,188	12,367,370	12,367,370	12,367,370	12,021,256	12,021,256	13,339,923
Expense ratio		12.7%	12.7%	12.3%	12.3%	12.3%	12.0%	12.0%	12.0%	11.6%	11.6%	12.9%
NOI		90,107,958	90,107,958	90,475,812	90,475,812	90,475,812	90,832,630	90,832,630	90,832,630	91,178,744	91,178,744	89,860,077
(+)Return on deposit	0.5%	258,000	258,000	258,000	258,000	258,000	258,000	258,000	258,000	258,000	258,000	258,000
Effective deposit		51,600,000	51,600,000	51,600,000	51,600,000	51,600,000	51,600,000	51,600,000	51,600,000	51,600,000	51,600,000	51,600,000
(-)Capital expenditure		8,555,983	8,555,983	8,555,983	8,555,983	8,555,983	8,555,983	8,555,983	8,555,983	8,555,983	8,555,983	8,555,983
NCF		81,809,975	81,809,975	82,177,829	82,177,829	82,177,829	82,534,647	82,534,647	82,534,647	82,880,761	82,880,761	81,562,094
Present Value Factor		0.9542	0.9105	0.8688	0.8290	0.7910	0.7548	0.7202	0.6872	0.6558	0.6257	
Present value of NCF		78,063,078	74,487,982	71,396,098	68,125,420	65,002,662	62,297,151	59,441,453	56,717,809	54,353,203	51,858,492	

[Note]

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Elysion Gakuenmae Valuation Certificate

International Healthway Corporation Limited

Date: March 10, 2017

Certificate No: 17 – 136 – 9

Watanabe

Yutaka Watanabe
Real Estate Appraiser

Colliers International
16-26, Roppongi 3-chome, Minato-ku, Tokyo
Member of Japan Association of Real Estate Appraisers

In undertaking a real estate opinion, the appraiser maintained a fair and reasonable attitude regardless of his/her own self interests or any other reasons, and the appraiser conducted real estate opinions impartially in accordance with proper moral conduct. The opinions, estimates and information provided or otherwise in relation hereto are made by Colliers International in its best judgment, in the utmost good faith and as far as possible based on data or sources which Colliers International believe to be reliable in the context hereto. Notwithstanding, we disclaim any liability in respect of any claim, which may arise from any errors or omissions or from providing such advice, opinions, judgment or information. This document is prepared as a desktop update based on the previous certificate submitted by Colliers International without site inspection or detailed due diligence of the subject property. The value estimated herein may differ from the one in the further appraisal.

APPENDIX VI – VALUATION CERTIFICATES



Preface

Elyson Gakuenmae
Valuation Certificate

March 2017

Confidential

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4. The assignment expresses a view of the appraisers as an opinion value based on the analysis of the determinants of value by conducting researches judged to be appropriate by the appraisers within constraint of time and budget, and the certificate content is only valid at the date of valuation. If knowledge or a fact, which is beyond the above scope of work, is found after the date of valuation, a new analysis assignment may become necessary to reflect those knowledge or fact.
5. While the appraisers will use information obtained through the original research, data provided by the client, hearings that are considered necessary, public information, and data regarding real estate comparable sales with the care of good manager as an expert, the responsibility is owed for the process of use, and appraisers do not guarantee the content of the information.
6. The certificate is a product which has a meaning in its entirety, and each part relates to other parts thereof. Therefore, the appraisers serve responsibility for the product in its entirety and not for documents other than the certificate submitted, such as articles, abstracts, summaries, reconstructed sentences, contents that have been edited or added, or replications.

APPENDIX VI – VALUATION CERTIFICATES



Valuation Certificate

Property: Elysion Gakuenmae
1994-6, Nakatomigaoka 1-chome, Nara City,
Nara Prefecture, Japan

Client: International Healthway Corporation Limited

Owner: IHC Japan First TMK

Purpose: The Valuation Summary and the accompanying Valuation Certificates have been prepared for the inclusion in the circular to Shareholders of International Healthway Corporation Limited, a company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited, in connection with the mandatory unconditional general cash offer by Standard Chartered Bank and Credit Suisse (Singapore) Limited for and on behalf of Treasure International Holdings Pte. Ltd. a direct wholly-owned subsidiary of OUE Limited, to acquire all the issued and paid-up ordinary shares in the capital of International Healthway Corporation Limited.



Interest Valued: Freehold

Basis of Valuation Market Value

Land Area: 1,898.30 sq m (registered)

Town Planning: City planning area, Urbanization Promotion Area
Category I Mid/High-Rise Exclusive Residential Lot / BCR: 60% / FAR: 200% / Height Restriction Area (up to 15m) / Sunshade Restriction (4m, 4h-2.5h)

Brief Description: The subject property is a 5-storey paid nursing home building, located approximately 1,100m south of Kintetsu Keihanna Line Gakken Nara-Tomigaoka Station. There are 92 units in total (one-bedroom type only).

Tenancy Profile: Signed 30-year long-term lease agreement.

Lease Condition: 30 years of lease term (standard lease)

NRA: 3,790.00 sq m (1,146.48 tsubo)

Valuation Approaches: Discounted Cash Flow Method / Direct Capitalization Method



APPENDIX VI – VALUATION CERTIFICATES



Date of Valuation: December 31, 2016

Assessed Value: 1,590,000,000yen

Capitalization Rate: 4.8%

Terminal Capitalization 4.9%

Rate:

Discount Rate: 4.6%

Value psm of NRA: 420,000yen / sq m

Assumptions, This opinion report is provided subject to the assumptions, qualifications,
Disclaimers, limitations and disclaimers detailed throughout this report which are made in
Limitations & conjunction with those included within the Assumptions, Qualifications,
Qualifications Limitations & Disclaimers section located within this report. Reliance on this report
and extension of our liability is conditional upon the reader's acknowledgement
and understanding of these statements. This opinion is for the use only of the party
to whom it is addressed and for no other purpose. No responsibility is accepted to
any third party who may use or rely on the whole or any part of the content of this
opinion. The valuer has no pecuniary interest that would conflict with the proper
valuation of the property.

Prepared By: Colliers International Tokyo



APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Current Rent Roll

Appendix 1

(Unit: Yen)																		
FLR	Tenant	Type	Commencement (Original CNT)	Commencement (Current CNT)	Expiration of CNT	Occupancy	Use	㎡	Tsubo	Monthly Rent	Unit rent/Tb	Monthly CAM	Unit CAM/Tb	Monthly rent with CAM	Unit price with CAM/Tb	Deposi t (mos)	Deposit (net)	
1~5F	Corporation	Standard	04/25/13	04/25/13	04/24/43	Occupied	Nursing home	3,790.00	1,146.48	6,992,000	6,099	0	0	6,992,000	6,099	4.0	27,968,000	
								Totals(occupied)	3,790.00	1,146.48	6,992,000	—	0	—	6,992,000	—	—	27,968,000
								Totals(vacant)	0.00	0.00	0	—	0	—	0	—	—	0
								Totals	3,790.00	1,146.48	6,992,000	—	0	—	6,992,000	—	—	27,968,000
Vacancy Rate		0.0%																

※ Based on the master lease agreement

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Direct Capitalization Estimate Table

Appendix 2

Unit: Yen

1	Rent Revenue					
	Nursing home	6,099yen/Tb	×	1,146.48Tb	×	12months
						83,904,000
2	CAM Income					
	Nursing home	0yen/Tb	×	1,146.48Tb	×	12months
						0
3	Other revenues (reimbursement)					
	Car parking					0
	Key money etc.					0
	Renewal fee					0
	Utilities					0
	Motorcycle					0
	Other revenue					0
4	PGL Total (1-3)					83,904,000
5	Vacancy loss				(vacancy rate)	
	Nursing home				0.0%	0
a	EGI (4-5)					83,904,000
6	Repairs					0
7	Maintenance					0
8	Utilities					0
9	PM fee	EGI(excluding key money, renewal fee, and accompanied cost)			×	1.0%
						839,040
10	Taxes					
	Land				Based on the actual amounts	384,800
	Building				Based on the actual amounts	3,403,358
	Depreciable asset				Based on the actual amounts	526,100
11	Insurance			The percentage of building replacement cost	0.03%	236,740
12	Lease-up cost					116,533
13	Other expenses					0
b	Total expense Total (6-13)				Operating expense ratio (6.6%)	5,506,571
c	NOI (a – b)					78,397,429
14	(+) Interest on deposit				Rate of return on deposit (0.5%)	139,840
15	(-) Capital expenditure			per rentable area	1,569 yen/Tb	1,799,200
d	Net cash flow (c +14 – 15)					76,738,069
e	Cap rate (NCF basis)				(NOI basis) 4.9%	4.8%
Direct capitalization approach value		per NRA	1,395,582 yen/Tb		(422,164yen/m ²)	1,600,000,000

[Remarks]

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

DCF Method Estimate Table

Appendix 3

1. Net Present Value Based on DCF Analysis

Unit : Yen

①	A	B	C	D	E	F	G	③
Present Value of NCF(10years)	NCF of 11th year	Terminal Cap Rate	Sales proceed at the end of year 10	Cost of Sales	Net Sales Proceed	Present Value Factor	Present Value of Net Sales Proceed	Based on DCF Analysis
			A+B	C × 2.0%	C-D		E×F	①+②
610,376,277 38.41%	76,738,069	4.9%	1,566,083,041	31,321,661	1,534,761,380	0.6378	978,870,808 61.59%	1,589,247,085 ≒ 1,590,000,000

2. Rate applied

Discount rate	4.6%
Terminal cap rate (NCF basis)	4.9%

3. Cash Flow

Unit : Yen

	Date of valuation 2016/12/31	Year- 1 2017/12/31	Year- 2 2018/12/31	Year- 3 2019/12/31	Year- 4 2020/12/31	Year- 5 2021/12/31	Year- 6 2022/12/31	Year- 7 2023/12/31	Year- 8 2024/12/31	Year- 9 2025/12/31	Year- 10 2026/12/31	Year- 11
Rent income		83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
CAM		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Car parking		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Key money etc.		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Renewal fee		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Motorcycle		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Other revenue		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PGI		83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000
(-)Vacancy loss (Rented space)		0	0	0	0	0	0	0	0	0	0	0
See DCF CF Estimate Table		—	—	—	—	—	—	—	—	—	—	—
(-)Vacancy loss (Parking space)		0	0	0	0	0	0	0	0	0	0	0
Vacancy		—	—	—	—	—	—	—	—	—	—	—
EGI		83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000	83,904,000
Repairs		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Maintenance		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PM fee (EGIX1.0%)		0	0	0	0	0	0	0	0	0	0	839,040
Change		—	—	—	—	—	—	—	—	—	—	—
Tax (Land)		384,800	384,800	384,800	384,800	384,800	384,800	384,800	384,800	384,800	384,800	384,800
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Tax (Building)		3,729,000	3,729,000	3,617,130	3,617,130	3,617,130	3,508,616	3,508,616	3,508,616	3,403,358	3,403,358	3,403,358
Change		±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%
Tax (Depreciable asset)		526,100	526,100	526,100	526,100	526,100	526,100	526,100	526,100	526,100	526,100	526,100
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Insurance		236,740	236,740	236,740	236,740	236,740	236,740	236,740	236,740	236,740	236,740	236,740
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Lease-up cost		0	0	0	0	0	0	0	0	0	0	116,533
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	+100.0%
Other expenses		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Total expense		4,876,640	4,876,640	4,764,770	4,764,770	4,764,770	4,656,256	4,656,256	4,656,256	4,550,998	4,550,998	5,506,571
Expense ratio		5.8%	5.8%	5.7%	5.7%	5.7%	5.5%	5.5%	5.5%	5.4%	5.4%	6.6%
NOI		79,027,360	79,027,360	79,139,230	79,139,230	79,139,230	79,247,744	79,247,744	79,247,744	79,353,002	79,353,002	78,397,429
(+)Return on deposit 0.5%		139,840	139,840	139,840	139,840	139,840	139,840	139,840	139,840	139,840	139,840	139,840
Effective deposit		27,968,000	27,968,000	27,968,000	27,968,000	27,968,000	27,968,000	27,968,000	27,968,000	27,968,000	27,968,000	27,968,000
(-)Capital expenditure		1,799,200	1,799,200	1,799,200	1,799,200	1,799,200	1,799,200	1,799,200	1,799,200	1,799,200	1,799,200	1,799,200
NCF		77,368,000	77,368,000	77,479,870	77,479,870	77,479,870	77,588,384	77,588,384	77,588,384	77,693,642	77,693,642	76,738,069
Present Value Factor		0.9560	0.9140	0.8738	0.8354	0.7986	0.7635	0.7299	0.6978	0.6671	0.6378	
Present value of NCF		73,963,808	70,714,352	67,701,910	64,726,683	61,875,424	59,238,731	56,631,761	54,141,174	51,829,429	49,553,005	

[Note]

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Elysion Kaichi North Valuation Certificate

International Healthway Corporation Limited

Date: March 10, 2017

Certificate No: 17 – 136 – 12

Watanabe

Yutaka Watanabe
Real Estate Appraiser

Colliers International
16-26, Roppongi 3-chome, Minato-ku, Tokyo
Member of Japan Association of Real Estate Appraisers

In undertaking a real estate opinion, the appraiser maintained a fair and reasonable attitude regardless of his/her own self interests or any other reasons, and the appraiser conducted real estate opinions impartially in accordance with proper moral conduct. The opinions, estimates and information provided or otherwise in relation hereto are made by Colliers International in its best judgment, in the utmost good faith and as far as possible based on data or sources which Colliers International believe to be reliable in the context hereto. Notwithstanding, we disclaim any liability in respect of any claim, which may arise from any errors or omissions or from providing such advice, opinions, judgment or information. This document is prepared as a desktop update based on the previous certificate submitted by Colliers International without site inspection or detailed due diligence of the subject property. The value estimated herein may differ from the one in the further appraisal.

APPENDIX VI – VALUATION CERTIFICATES



Preface

Elysion Kaichi North
Valuation Certificate

March 2017

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4. The assignment expresses a view of the appraisers as an opinion value based on the analysis of the determinants of value by conducting researches judged to be appropriate by the appraisers within constraint of time and budget, and the certificate content is only valid at the date of valuation. If knowledge or a fact, which is beyond the above scope of work, is found after the date of valuation, a new analysis assignment may become necessary to reflect those knowledge or fact.
5. While the appraisers will use information obtained through the original research, data provided by the client, hearings that are considered necessary, public information, and data regarding real estate comparable sales with the care of good manager as an expert, the responsibility is owed for the process of use, and appraisers do not guarantee the content of the information.
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APPENDIX VI – VALUATION CERTIFICATES



Valuation Certificate

Property: Elysion Kaichi North
1603-15 and other lots, Kaichi 2-chome,
Matsumoto City, Nagano Prefecture, Japan

Client: International Healthway Corporation Limited

Owner: IHC Japan First TMK

Purpose: The Valuation Summary and the accompanying Valuation Certificates have been prepared for the inclusion in the circular to Shareholders of International Healthway Corporation Limited, a company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited, in connection with the mandatory unconditional general cash offer by Standard Chartered Bank and Credit Suisse (Singapore) Limited for and on behalf of Treasure International Holdings Pte. Ltd. a direct wholly-owned subsidiary of OUE Limited, to acquire all the issued and paid-up ordinary shares in the capital of International Healthway Corporation Limited.



Interest Valued: Freehold

Basis of Valuation Market Value

Land Area: 2,833.41 sq m (registered)

Town Planning: City planning area, Urbanization Promotion Area
Category I Residential Lot / BCR: 60% / FAR: 200% / Quasi-fire proof area / Sunshade Restriction (4m, 4h-2.5h)

Brief Description: The subject property is a 4-storey paid nursing home building with 1 basement, located approximately 1,200m northeast of JR Oito Line Kitamatsumoto Station. There are 79 units in total (one-bedroom type and two-bedroom type).

Tenancy Profile: Signed 30-year long-term lease agreement.

Lease Condition: 30 years of lease term (standard lease)

NRA: 5,057.91 sq m (1,530.02 tsubo)

Valuation Approaches: Discounted Cash Flow Method / Direct Capitalization Method



APPENDIX VI – VALUATION CERTIFICATES



Date of Valuation: December 31, 2016

Assessed Value: 1,310,000,000yen

Capitalization Rate: 5.1%

Terminal Capitalization 5.2%

Rate:

Discount Rate: 4.9%

Value psm of NRA: 259,000yen / sq m

Assumptions, Disclaimers, Limitations & Qualifications This opinion report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

Prepared By: Colliers International Tokyo



APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Current Rent Roll

Appendix 1

(Unit: Yen)																		
FLR	Tenant	Type	Commencement (Original CNT)	Commencement (Current CNT)	Expiration of CNT	Occupancy	Use	㎡	Tsubo	Monthly Rent	Unit rent/Tb	Monthly CAM	Unit CAM/Tb	Monthly rent with CAM	Unit price with CAM/Tb	Deposit (mos)	Deposit (net)	
B1～4F	Corporation	Standard	04/25/13	04/25/13	04/24/43	Occupied	Nursing home	5,057.91	1,530.02	6,550,000	4,281	0	0	6,550,000	4,281	4.0	26,200,000	
								Totals(occupied)	5,057.91	1,530.02	6,550,000	—	0	—	6,550,000	—	—	26,200,000
								Totals(vacant)	0.00	0.00	0	0	0	0	0	0	0	0
								Totals	5,057.91	1,530.02	6,550,000	—	0	—	6,550,000	—	—	26,200,000
Vacancy Rate		0.0%																
※ Based on the master lease agreement																		

※ Based on the master lease agreement

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Direct Capitalization Estimate Table

Appendix 2

Unit: Yen

1	Rent Revenue					
	Nursing home	4,281yen/Tb	×	1,530.02Tb	×	12months
						78,600,000
2	CAM Income					
	Nursing home	0yen/Tb	×	1,530.02Tb	×	12months
						0
3	Other revenues (reimbursement)					
	Car parking					0
	Key money etc.					0
	Renewal fee					0
	Utilities					0
	Motorcycle					0
	Other revenue					0
4	PGI Total (1-3)					78,600,000
5	Vacancy loss				(vacancy rate)	
	Nursing home				0.0%	0
a	EGI (4-5)					78,600,000
6	Repairs					0
7	Maintenance					0
8	Utilities					0
9	PM fee	EGI(excluding key money, renewal fee, and accompanied cost)			×	1.0%
						786,000
10	Taxes					
	Land			Based on the actual amounts		435,400
	Building			Based on the actual amounts		5,369,448
	Depreciable asset			Based on the actual amounts		744,586
11	Insurance			The percentage of building replacement cost	0.05%	629,620
12	Lease-up cost					218,333
13	Other expenses					0
b	Total expense Total (6-13)			Operating expense ratio	(10.4%)	8,183,387
c	NOI (a – b)					70,416,613
14	(+) Interest on deposit			Rate of return on deposit	(0.5%)	131,000
15	(-) Capital expenditure			per rentable area	2,207 yen/Tb	3,377,500
d	Net cash flow (c +14 – 15)					67,170,113
e	Cap rate (NCF basis)			(NOI basis)	5.3%	5.1%
Direct capitalization approach value		per NRA	862,735 yen/Tb	(260,977yen/m ²)		1,320,000,000

[Remarks]

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

DCF Method Estimate Table

Appendix 3

1. Net Present Value Based on DCF Analysis

Unit : Yen

①	A	B	C	D	E	F	G	③
Present Value of NCF(10years)	NCF of 11th year	Terminal Cap Rate	Sales proceed at the end of year 10	Cost of Sales	Net Sales Proceed	Present Value Factor	Present Value of Net Sales Proceed	Based on DCF Analysis
			A+B	C × 2.0%	C-D		E×F	①+②
526,843,213 40.17%	67,170,113	5.2%	1,291,732,942	25,834,659	1,265,898,283	0.6198	784,603,756 59.83%	1,311,446,969 ≒ 1,310,000,000

2. Rate applied

Discount rate	4.9%
Terminal cap rate (NCF basis)	5.2%

3. Cash Flow

Unit : Yen

	Date of valuation 2016/12/31	Year- 1 2017/12/31	Year- 2 2018/12/31	Year- 3 2019/12/31	Year- 4 2020/12/31	Year- 5 2021/12/31	Year- 6 2022/12/31	Year- 7 2023/12/31	Year- 8 2024/12/31	Year- 9 2025/12/31	Year- 10 2026/12/31	Year- 11
Rent income		78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
CAM		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Car parking		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Key money etc.		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Renewal fee		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Motorcycle		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Other revenue		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PGI		78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000
(-)Vacancy loss (Rented space)		0	0	0	0	0	0	0	0	0	0	0
See DCF CF Estimate Table		—	—	—	—	—	—	—	—	—	—	—
(-)Vacancy loss (Parking space)		0	0	0	0	0	0	0	0	0	0	0
Vacancy		—	—	—	—	—	—	—	—	—	—	—
EGI		78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000	78,600,000
Repairs		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Maintenance		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PM fee (EGIX1.0%)		0	0	0	0	0	0	0	0	0	0	786,000
Change		—	—	—	—	—	—	—	—	—	—	—
Tax (Land)		435,400	435,400	435,400	435,400	435,400	435,400	435,400	435,400	435,400	435,400	435,400
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Tax (Building)		5,883,210	5,883,210	5,706,714	5,706,714	5,706,714	5,535,513	5,535,513	5,535,513	5,369,448	5,369,448	5,369,448
Change		±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%
Tax (Depreciable asset)		744,586	744,586	744,586	744,586	744,586	744,586	744,586	744,586	744,586	744,586	744,586
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Insurance		629,620	629,620	629,620	629,620	629,620	629,620	629,620	629,620	629,620	629,620	629,620
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Lease-up cost		0	0	0	0	0	0	0	0	0	0	218,333
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	+100.0%
Other expenses		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Total expense		7,692,816	7,692,816	7,516,320	7,516,320	7,516,320	7,345,119	7,345,119	7,345,119	7,179,054	7,179,054	8,183,387
Expense ratio		9.8%	9.8%	9.6%	9.6%	9.6%	9.3%	9.3%	9.3%	9.1%	9.1%	10.4%
NOI		70,907,184	70,907,184	71,083,680	71,083,680	71,083,680	71,254,881	71,254,881	71,254,881	71,420,946	71,420,946	70,416,613
(+)Return on deposit 0.5%		131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000
Effective deposit		26,200,000	26,200,000	26,200,000	26,200,000	26,200,000	26,200,000	26,200,000	26,200,000	26,200,000	26,200,000	26,200,000
(-)Capital expenditure		3,377,500	3,377,500	3,377,500	3,377,500	3,377,500	3,377,500	3,377,500	3,377,500	3,377,500	3,377,500	3,377,500
NCF		67,660,684	67,660,684	67,837,180	67,837,180	67,837,180	68,008,381	68,008,381	68,008,381	68,174,446	68,174,446	67,170,113
Present Value Factor		0.9533	0.9088	0.8663	0.8258	0.7873	0.7505	0.7154	0.6820	0.6502	0.6198	
Present value of NCF		64,500,930	61,490,030	58,767,349	56,019,943	53,408,212	51,040,290	48,653,196	46,381,716	44,327,025	42,254,522	

[Note]

APPENDIX VI – VALUATION CERTIFICATES

Confidential



Varus Cuore Yamanote Valuation Certificate

International Healthway Corporation Limited

Date: March 10, 2017

Certificate No: 17 – 137 – 8

A handwritten signature in black ink, appearing to read "Nagai", written over a light blue horizontal line.

Yoshinori Nagai
Real Estate Appraiser, MRICS

Colliers International
16-26, Roppongi 3-chome, Minato-ku, Tokyo
Member of Japan Association of Real Estate Appraisers

In undertaking a real estate opinion, the appraiser maintained a fair and reasonable attitude regardless of his/her own self interests or any other reasons, and the appraiser conducted real estate opinions impartially in accordance with proper moral conduct. The opinions, estimates and information provided or otherwise in relation hereto are made by Colliers International in its best judgment, in the utmost good faith and as far as possible based on data or sources which Colliers International believe to be reliable in the context hereto. Notwithstanding, we disclaim any liability in respect of any claim, which may arise from any errors or omissions or from providing such advice, opinions, judgment or information. This document is prepared as a desktop update based on the previous certificate submitted by Colliers International without site inspection or detailed due diligence of the subject property. The value estimated herein may differ from the one in the further appraisal.

APPENDIX VI – VALUATION CERTIFICATES



Preface

Varus Cuore Yamanote
Valuation Certificate

March 2017

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1. This certificate (hereinafter referred to as “the certificate”) is produced by a certified real estate appraiser, and is issued by Colliers International (hereinafter referred to as “the Company”)
2. No part of this certificate may be reproduced or transmitted in any form by any means without the prior permission of the Company.
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4. The assignment expresses a view of the appraisers as an opinion value based on the analysis of the determinants of value by conducting researches judged to be appropriate by the appraisers within constraint of time and budget, and the certificate content is only valid at the date of valuation. If knowledge or a fact, which is beyond the above scope of work, is found after the date of valuation, a new analysis assignment may become necessary to reflect those knowledge or fact.
5. While the appraisers will use information obtained through the original research, data provided by the client, hearings that are considered necessary, public information, and data regarding real estate comparable sales with the care of good manager as an expert, the responsibility is owed for the process of use, and appraisers do not guarantee the content of the information.
6. The certificate is a product which has a meaning in its entirety, and each part relates to other parts thereof. Therefore, the appraisers serve responsibility for the product in its entirety and not for documents other than the certificate submitted, such as articles, abstracts, summaries, reconstructed sentences, contents that have been edited or added, or replications.

APPENDIX VI – VALUATION CERTIFICATES



Valuation Certificate

Property: Varus Cuore Yamanote
1 and other lot, Yamanote 6jo 2-chome,
Nishi-ku, Sapporo City, Hokkaido Prefecture,
Japan

Client: International Healthway Corporation Limited

Owner: IHC Japan First TMK

Purpose: The Valuation Summary and the accompanying Valuation Certificates have been prepared for the inclusion in the circular to Shareholders of International Healthway Corporation Limited, a company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited, in connection with the mandatory unconditional general cash offer by Standard Chartered Bank and Credit Suisse (Singapore) Limited for and on behalf of Treasure International Holdings Pte. Ltd. a direct wholly-owned subsidiary of OUE Limited, to acquire all the issued and paid-up ordinary shares in the capital of International Healthway Corporation Limited.

Interest Valued: Freehold

Basis of Valuation Market Value

Land Area: 1,667.87 sq m (registered)

Town Planning: City Planning Area, Urbanization Promotion Area

Zoning: Category I Mid/High-Rise Exclusive Residential Lot

Site coverage ratio: 60%

Floor area ratio: 200%

Height Restriction Area (up to 27m), Sunshade Restriction (4m, 3h - 2h)

Landscape Planning Area

Brief Description: The subject property is a 4-storey paid nursing home building, located approximately 1.0km southwest of Sapporo City Subway Tozai Line Kotoni Station. Each floor comprises several types of rooms. There are 59 units in total (one-bedroom type and two-bedroom type from 1st floor to 4th floor).



APPENDIX VI – VALUATION CERTIFICATES



Tenancy Profile: Signed 30-year long-term lease agreement.

Lease Condition: 30 years of lease term (standard lease)

NRA: 2,807.83 sq m (849.37 tsubo)

Valuation Approaches: Discounted Cash Flow Method / Direct Capitalization Method

Date of Valuation: December 31, 2016

Assessed Value: 1,020,000,000yen

Capitalization Rate: 4.9%

Terminal Capitalization Rate: 5.0%

Discount Rate: 4.7%

Value psm of NRA: 363,000yen / sq m

Assumptions, Disclaimers, Limitations & Qualifications This opinion report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

Prepared By: Colliers International Tokyo



APPENDIX VI – VALUATION CERTIFICATES

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Current Rent Roll

Appendix 1

(Unit: Yen)																		
FLR	Tenant	Type	Commencement (Original CNT)	Commencement (Current CNT)	Expiration of CNT	Occupancy	Use	㎡	Tsubo	Monthly Rent	Unit rent/Tb	Monthly CAM	Unit CAM/Tb	Monthly rent with CAM	Unit price with CAM/Tb	Deposi t (mos)	Deposit (net)	
1~4F	Corporation	Standard	04/25/13	04/25/13	04/24/43	Occupied	Nursing home	2,807.83	849.37	4,800,000	5,651	0	0	4,800,000	5,651	6.0	28,800,000	
								Totals(occupied)	2,807.83	849.37	4,800,000	—	0	—	4,800,000	—	—	28,800,000
								Totals(vacant)	0.00	0.00	0	—	0	—	0	—	—	0
Vacancy Rate		0.0%																
								Totals	2,807.83	849.37	4,800,000	—	0	—	4,800,000	—	—	28,800,000

※ Based on the master lease agreement

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Direct Capitalization Estimate Table

Appendix 2

Unit: Yen

1	Rent Revenue						
	Nursing home	5,651yen/Tb	×	849.37Tb	×	12months	57,600,000
2	CAM Income						
	Nursing home	0yen/Tb	×	849.37Tb	×	12months	0
3	Other revenues (reimbursement)						
	Car parking	0yen/car	×	0cars	×	12months	0
	Key money etc.						0
	Renewal fee						0
	Utilities						0
	Motorcycle						0
	Other revenue						0
4	PGI Total (1-3)						57,600,000
5	Vacancy loss					(vacancy rate)	
	Nursing home					0.0%	0
a	EGI (4-5)						57,600,000
6	Repairs						0
7	Maintenance						0
8	Utilities						0
9	PM fee	EGI(excluding key money, renewal fee, and accompanied cost)			×	1.0%	576,000
10	Taxes						
	Land					Assumption	344,879
	Building					Assumption	3,508,940
	Depreciable asset					Assumption	129,540
11	Insurance					The percentage of building replacement cost	169,900
12	Lease-up cost						160,000
13	Other expenses						0
b	Total expense Total (6-13)					Operating expense ratio (8.5%)	4,889,259
c	NOI (a – b)						52,710,741
14	(+) Interest on deposit					Rate of return on deposit (0.5%)	144,000
15	(-) Capital expenditure			per rentable area	3,178 yen/Tb		2,699,433
d	Net cash flow (c +14 – 15)						50,155,308
e	Cap rate (NCF basis)					(NOI basis) 5.2%	4.9%
Income capitalization approach value		per NRA	1,200,892 yen/Tb		(363,270yen/㎡)		1,020,000,000

[Remarks]

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

DCF Method Estimate Table

Appendix 3

1. Net Present Value Based on DCF Analysis

Unit : Yen

①	②							③
Present Value of NCF(10years)	A NCF of 11th year	B Terminal Cap Rate	C Sales proceed at the end of year 10	D Cost of Sales	E Net Sales Proceed	F Present Value Factor	G Present Value of Net Sales Proceed	Based on DCF Analysis
			A+B	C × 2.0%	C-D		E×F	①+②
397,339,955 39.02%	50,155,308	5.0%	1,003,106,153	20,062,123	983,044,030	0.6317	620,988,914 60.98%	1,018,328,869 1,020,000,000

2. Rate applied

Discount rate	4.7%
Terminal cap rate (NCF basis)	5.0%

3. Cash Flow

Unit : Yen

	Date of valuation	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5	Year- 6	Year- 7	Year- 8	Year- 9	Year- 10	Year- 11
	2016/12/31	2017/12/31	2018/12/31	2019/12/31	2020/12/31	2021/12/31	2022/12/31	2023/12/31	2024/12/31	2025/12/31	2026/12/31	
Rent income		57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
CAM		0	0	0	0	0	0	0	0	0	0	0
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Car parking		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Key money etc.		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PGI		57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000
(-)Vacancy loss (Rented space)		0	0	0	0	0	0	0	0	0	0	0
See DCF CF Estimate Table		—	—	—	—	—	—	—	—	—	—	—
(-)Vacancy loss (Parking space)		0	0	0	0	0	0	0	0	0	0	0
Vacancy		—	—	—	—	—	—	—	—	—	—	—
EGI		57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000
Repairs		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Maintenance		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PM fee		0	0	0	0	0	0	0	0	0	0	576,000
Change		—	—	—	—	—	—	—	—	—	—	—
Tax (Land)		344,879	344,879	344,879	344,879	344,879	344,879	344,879	344,879	344,879	344,879	344,879
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Tax (Building)		3,844,685	3,844,685	3,729,344	3,729,344	3,729,344	3,617,464	3,617,464	3,617,464	3,508,940	3,508,940	3,508,940
Change		±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%
Tax (Depreciable asset)		129,540	129,540	129,540	129,540	129,540	129,540	129,540	129,540	129,540	129,540	129,540
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Insurance		169,900	169,900	169,900	169,900	169,900	169,900	169,900	169,900	169,900	169,900	169,900
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Lease-up cost		0	0	0	0	0	0	0	0	0	0	160,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	+100.0%
Other expenses		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Total expense		4,489,004	4,489,004	4,373,663	4,373,663	4,373,663	4,261,783	4,261,783	4,261,783	4,153,259	4,153,259	4,889,259
Expense ratio		7.8%	7.8%	7.6%	7.6%	7.6%	7.4%	7.4%	7.4%	7.2%	7.2%	8.5%
NOI		53,110,996	53,110,996	53,226,337	53,226,337	53,226,337	53,338,217	53,338,217	53,338,217	53,446,741	53,446,741	52,710,741
(+)Return on deposit	0.5%	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000
Effective deposit		28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000
(-)Capital expenditure		2,699,433	2,699,433	2,699,433	2,699,433	2,699,433	2,699,433	2,699,433	2,699,433	2,699,433	2,699,433	2,699,433
NCF		50,555,563	50,555,563	50,670,904	50,670,904	50,670,904	50,782,784	50,782,784	50,782,784	50,891,308	50,891,308	50,155,308
Present Value Factor		0.9551	0.9122	0.8713	0.8322	0.7948	0.7591	0.7251	0.6925	0.6614	0.6317	
Present value of NCF		48,285,618	46,116,784	44,149,558	42,168,326	40,273,234	38,549,211	36,822,596	35,167,078	33,659,511	32,148,039	

[Note]

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Elysion Amanohashidate Valuation Certificate

International Healthway Corporation Limited

Date: March 10, 2017

Certificate No: 17 – 136 – 11

Watanabe

Yutaka Watanabe
Real Estate Appraiser

Colliers International
16-26, Roppongi 3-chome, Minato-ku, Tokyo
Member of Japan Association of Real Estate Appraisers

In undertaking a real estate opinion, the appraiser maintained a fair and reasonable attitude regardless of his/her own self interests or any other reasons, and the appraiser conducted real estate opinions impartially in accordance with proper moral conduct. The opinions, estimates and information provided or otherwise in relation hereto are made by Colliers International in its best judgment, in the utmost good faith and as far as possible based on data or sources which Colliers International believe to be reliable in the context hereto. Notwithstanding, we disclaim any liability in respect of any claim, which may arise from any errors or omissions or from providing such advice, opinions, judgment or information. This document is prepared as a desktop update based on the previous certificate submitted by Colliers International without site inspection or detailed due diligence of the subject property. The value estimated herein may differ from the one in the further appraisal.

APPENDIX VI – VALUATION CERTIFICATES



Preface

Elyson Amanohashide
Valuation Certificate

March 2017

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5. While the appraisers will use information obtained through the original research, data provided by the client, hearings that are considered necessary, public information, and data regarding real estate comparable sales with the care of good manager as an expert, the responsibility is owed for the process of use, and appraisers do not guarantee the content of the information.
6. The certificate is a product which has a meaning in its entirety, and each part relates to other parts thereof. Therefore, the appraisers serve responsibility for the product in its entirety and not for documents other than the certificate submitted, such as articles, abstracts, summaries, reconstructed sentences, contents that have been edited or added, or replications.

APPENDIX VI – VALUATION CERTIFICATES



Valuation Certificate

Property: Elysion Amanohashidate
1058-1 and other lots, Koaza-Ikami,
Aza-Mannen, Miyazu City, Kyoto Prefecture,
Japan

Client: International Healthway Corporation Limited

Owner: IHC Japan First TMK

Purpose: The Valuation Summary and the accompanying Valuation Certificates have been prepared for the inclusion in the circular to Shareholders of International Healthway Corporation Limited, a company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited, in connection with the mandatory unconditional general cash offer by Standard Chartered Bank and Credit Suisse (Singapore) Limited for and on behalf of Treasure International Holdings Pte. Ltd. a direct wholly-owned subsidiary of OUE Limited, to acquire all the issued and paid-up ordinary shares in the capital of International Healthway Corporation Limited.



Interest Valued: Freehold

Basis of Valuation Market Value

Land Area: 2,694.41 sq m (registered)

Town Planning: Non-zoning City planning area / BCR: 60% / FAR: 200% / Landscape Planning Area

Brief Description: The subject property is a 3-storey paid nursing home building and a 2-storey daycare service center, located approximately 1,200m southeast of Kitakinki Tango Railway Miyazu Line Amanohashidate Station. There are 60 units in total (one-bedroom type only).

Tenancy Profile: Signed 30-year long-term lease agreement.

Lease Condition: 30 years of lease term (standard lease)

NRA: 2,927.14 sq m (885.46 tsubo)

Valuation Approaches: Discounted Cash Flow Method / Direct Capitalization Method



APPENDIX VI – VALUATION CERTIFICATES



Date of Valuation: December 31, 2016

Assessed Value: 944,000,000yen

Capitalization Rate: 5.0%

Terminal Capitalization 5.1%

Rate:

Discount Rate: 4.8%

Value psm of NRA: 322,000yen / sq m

Assumptions, Disclaimers, Limitations & Qualifications This opinion report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

Prepared By: Colliers International Tokyo



APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Current Rent Roll

Appendix 1

(Unit: Yen)																	
FLR	Tenant	Type	Commencement (Original CNT)	Commencement (Current CNT)	Expiration of CNT	Occupancy	Use	㎡	Tsubo	Monthly Rent	Unit rent/Tb	Monthly CAM	Unit CAM/Tb	Monthly rent with CAM	Unit price with CAM/Tb	Deposit (mos)	Deposit (net)
Nursing home: 1~3F Daycare service center: 1~2F	Corporation	Standard	04/25/13	04/25/13	04/24/43	Occupied	Nursing home	2,927.14	885.46	4,560,000	5,150	0	0	4,560,000	5,150	4.0	18,240,000
						Totals(occupied)		2,927.14	885.46	4,560,000	—	0	—	4,560,000	—	—	18,240,000
						Totals(vacant)		0.00	0.00	0	—	0	—	0	—	—	0
						Totals		2,927.14	885.46	4,560,000	—	0	—	4,560,000	—	—	18,240,000
Vacancy Rate		0.0%															

※ Based on the master lease agreement

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Direct Capitalization Estimate Table

Appendix 2

Unit: Yen

1	Rent Revenue						
	Nursing home	5,150yen/Tb	×	885.46Tb	×	12months	54,720,000
2	CAM Income						
	Nursing home	0yen/Tb	×	885.46Tb	×	12months	0
3	Other revenues (reimbursement)						
	Car parking						0
	Key money etc.						0
	Renewal fee						0
	Utilities						0
	Motorcycle						0
	Other revenue	Ground rent					6,000
4	PGL	Total (1-3)					54,726,000
5	Vacancy loss				(vacancy rate)		
	Nursing home				0.0%		0
a	EGI	(4-5)					54,726,000
6	Repairs						0
7	Maintenance						0
8	Utilities						0
9	PM fee	EGI(excluding key money, renewal fee, and accompanied cost)	×		1.0%		547,260
10	Taxes						
	Land			Based on the actual amounts			365,361
	Building			Based on the actual amounts			3,481,691
	Depreciable asset			Based on the actual amounts			471,410
11	Insurance			The percentage of building replacement cost	0.03%		178,170
12	Lease-up cost						152,000
13	Other expenses						0
b	Total expense	Total (6-13)		Operating expense ratio	(9.5%)		5,195,892
c	NOI	(a – b)					49,530,108
14	(+) Interest on deposit			Rate of return on deposit	(0.5%)		91,200
15	(-) Capital expenditure		per rentable area	2,494 yen/Tb			2,208,200
d	Net cash flow	(c +14 – 15)					47,413,108
e	Cap rate (NCF basis)			(NOI basis)	5.2%		5.0%
	Direct capitalization approach value	per NRA	1,070,630 yen/Tb		(323,866yen/㎡)		948,000,000

[Remarks]

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

DCF Method Estimate Table

Appendix 3

1. Net Present Value Based on DCF Analysis

Unit : Yen

①	A	B	C	D	E	F	G	③
Present Value of NCF(10years)	NCF of 11th year	Terminal Cap Rate	Sales proceed at the end of year 10	Cost of Sales	Net Sales Proceed	Present Value Factor	Present Value of Net Sales Proceed	Based on DCF Analysis
			A+B	C × 2.0%	C-D		E×F	①+②
373,743,444 39.60%	47,413,108	5.1%	929,668,784	18,593,376	911,075,408	0.6257	570,059,883 60.40%	943,803,327 ≈ 944,000,000

2. Rate applied

Discount rate	4.8%
Terminal cap rate (NCF basis)	5.1%

3. Cash Flow

Unit : Yen

	Date of valuation 2016/12/31	Year- 1 2017/12/31	Year- 2 2018/12/31	Year- 3 2019/12/31	Year- 4 2020/12/31	Year- 5 2021/12/31	Year- 6 2022/12/31	Year- 7 2023/12/31	Year- 8 2024/12/31	Year- 9 2025/12/31	Year- 10 2026/12/31	Year- 11
Rent income		54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
CAM		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Car parking		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Key money etc.		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Renewal fee		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Motorcycle		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Other revenue		6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
PGI		54,726,000	54,726,000	54,726,000	54,726,000	54,726,000	54,726,000	54,726,000	54,726,000	54,726,000	54,726,000	54,726,000
(-)Vacancy loss (Rented space)		0	0	0	0	0	0	0	0	0	0	0
See DCF CF Estimate Table		—	—	—	—	—	—	—	—	—	—	—
(-)Vacancy loss (Parking space)		0	0	0	0	0	0	0	0	0	0	0
Vacancy		—	—	—	—	—	—	—	—	—	—	—
EGI		54,726,000	54,726,000	54,726,000	54,726,000	54,726,000	54,726,000	54,726,000	54,726,000	54,726,000	54,726,000	54,726,000
Repairs		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Maintenance		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PM fee (EGIX1.0%)		0	0	0	0	0	0	0	0	0	0	547,260
Change		—	—	—	—	—	—	—	—	—	—	—
Tax (Land)		365,361	365,361	365,361	365,361	365,361	365,361	365,361	365,361	365,361	365,361	365,361
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Tax (Building)		3,814,829	3,814,829	3,700,384	3,700,384	3,700,384	3,589,372	3,589,372	3,589,372	3,481,691	3,481,691	3,481,691
Change		±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%
Tax (Depreciable asset)		471,410	471,410	471,410	471,410	471,410	471,410	471,410	471,410	471,410	471,410	471,410
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Insurance		178,170	178,170	178,170	178,170	178,170	178,170	178,170	178,170	178,170	178,170	178,170
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Lease-up cost		0	0	0	0	0	0	0	0	0	0	152,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	+100.0%
Other expenses		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Total expense		4,829,770	4,829,770	4,715,325	4,715,325	4,715,325	4,604,313	4,604,313	4,604,313	4,496,632	4,496,632	5,195,892
Expense ratio		8.8%	8.8%	8.6%	8.6%	8.6%	8.4%	8.4%	8.4%	8.2%	8.2%	9.5%
NOI		49,896,230	49,896,230	50,010,675	50,010,675	50,010,675	50,121,687	50,121,687	50,121,687	50,229,368	50,229,368	49,530,108
(+)Return on deposit	0.5%	91,200	91,200	91,200	91,200	91,200	91,200	91,200	91,200	91,200	91,200	91,200
Effective deposit		18,240,000	18,240,000	18,240,000	18,240,000	18,240,000	18,240,000	18,240,000	18,240,000	18,240,000	18,240,000	18,240,000
(-)Capital expenditure		2,208,200	2,208,200	2,208,200	2,208,200	2,208,200	2,208,200	2,208,200	2,208,200	2,208,200	2,208,200	2,208,200
NCF		47,779,230	47,779,230	47,893,675	47,893,675	47,893,675	48,004,687	48,004,687	48,004,687	48,112,368	48,112,368	47,413,108
Present Value Factor		0.9542	0.9105	0.8688	0.8290	0.7910	0.7548	0.7202	0.6872	0.6558	0.6257	
Present value of NCF		45,590,941	43,502,989	41,610,025	39,703,857	37,883,897	36,233,938	34,572,976	32,988,821	31,552,091	30,103,909	

[Note]

APPENDIX VI – VALUATION CERTIFICATES

Confidential



Hikari Heights Varus Ishiyama Valuation Certificate

International Healthway Corporation Limited

Date: March 10, 2017

Certificate No: 17 – 136 – 2

A handwritten signature in black ink, appearing to read "Nagai", written over a light blue horizontal line.

Yoshinori Nagai
Real Estate Appraiser, MRICS

Colliers International
16-26, Roppongi 3-chome, Minato-ku, Tokyo
Member of Japan Association of Real Estate Appraisers

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APPENDIX VI – VALUATION CERTIFICATES



Preface

Hikari Heights Varus
Ishiyama
Valuation Certificate

March 2017

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APPENDIX VI – VALUATION CERTIFICATES



Valuation Certificate

Property: Hikari Heights Varus Ishiyama
216 and other lot, Ishiyama 1jo 3-chome,
Minami-ku, Sapporo City, Hokkaido
Prefecture, Japan

Client: International Healthway Corporation Limited

Owner: IHC Japan First TMK

Purpose: The Valuation Summary and the



accompanying Valuation Certificates have
been prepared for the inclusion in the
circular to Shareholders of International
Healthway Corporation Limited, a company
listed on the Catalist Board of the Singapore
Exchange Securities Trading Limited, in
connection with the mandatory
unconditional general cash offer by
Standard Chartered Bank and Credit Suisse
(Singapore) Limited for and on behalf of
Treasure International Holdings Pte. Ltd. a
direct wholly-owned subsidiary of OUE
Limited, to acquire all the issued and paid-up
ordinary shares in the capital of International
Healthway Corporation Limited.

Interest Valued: Freehold

Basis of Valuation Market Value

Land Area: 4,413.25 sq m (registered)

Town Planning: (Within 60m from the street centerline of Route 230)
City Planning Area, Urbanization Promotion Area
Zoning: Neighborhood Commercial Lot
Site coverage ratio: 80%
Floor area ratio: 200%
Height Restriction Area (up to 33m), Sunshade Restriction (4m, 4h - 2.5h)
Land Development Construction Regulated Area, Special Zoning (Category III Retail
Shop District), Landscape Planning Area
(Farther than 60m from the street centerline of Route 230)
City Planning Area, Urbanization Promotion Area



APPENDIX VI – VALUATION CERTIFICATES



	Zoning: Category I Residential Lot
	Site coverage ratio: 60%
	Floor area ratio: 200%
	Height Restriction Area (up to 18m), Sunshade Restriction (4m, 4h - 2.5h)
	Land Development Construction Regulated Area, Landscape Planning Area
Brief Description:	The subject property is a 9-storey paid nursing home building, located approximately 4km southwest of Sapporo City Subway Nanboku Line Makomanai Station. Each floor comprises several types of rooms. There are 119 units in total (one-bedroom type and two-bedroom type from 1st floor to 8th floor).
Tenancy Profile:	Signed 30-year long-term lease agreement.
Lease Condition:	30 years of lease term (standard lease)
NRA:	8,746.98 sq m (2,645.96 tsubo)
Valuation Approaches:	Discounted Cash Flow Method / Direct Capitalization Method
Date of Valuation:	December 31, 2016
Assessed Value:	941,000,000yen
Capitalization Rate:	5.0%
Terminal Capitalization Rate:	5.1%
Discount Rate:	4.8%
Value psm of NRA:	108,000yen / sq m
Assumptions, Disclaimers, Limitations & Qualifications	This opinion report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.
Prepared By:	Colliers International Tokyo



APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Current Rent Roll

Appendix 1

(Unit: Yen)																	
FLR	Tenant	Type	Commencement (Original CNT)	Commencement (Current CNT)	Expiration of CNT	Occupancy	Use	㎡	Tsubo	Monthly Rent	Unit rent/Tb	Monthly CAM	Unit CAM/Tb	Monthly rent with CAM	Unit price with CAM/Tb	Deposi t (mos)	Deposit (net)
1~9F	Corporation	Standard	04/25/13	04/25/13	04/24/43	Occupied	Nursing home	8,746.98	2,645.96	5,500,000	2,079	0	0	5,500,000	2,079	6.0	33,000,000
						Totals(occupied)		8,746.98	2,645.96	5,500,000	—	0	—	5,500,000	—	—	33,000,000
						Totals(vacant)		0.00	0.00	0	—	0	—	0	—	0	
						Totals		8,746.98	2,645.96	5,500,000	—	0	—	5,500,000	—	—	33,000,000
Vacancy Rate		0.0%															

※ Based on the master lease agreement

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Direct Capitalization Estimate Table

Appendix 2

Unit: Yen

1	Rent Revenue						
	Nursing home	2,079yen/Tb	×	2,645.96Tb	×	12months	66,000,000
2	CAM Income						
	Nursing home	0yen/Tb	×	2,645.96Tb	×	12months	0
3	Other revenues (reimbursement)						
	Car parking	0yen/car	×	0cars	×	12months	0
	Key money etc.						0
	Renewal fee						0
	Utilities						0
	Motorcycle						0
	Other revenue						0
4	PGI Total (1-3)						66,000,000
5	Vacancy loss					(vacancy rate)	
	Nursing home					0.0%	0
a	EGI (4-5)						66,000,000
6	Repairs						0
7	Maintenance						0
8	Utilities						0
9	PM fee	EGI(excluding key money, renewal fee, and accompanied cost)			×	1.0%	660,000
10	Taxes						
	Land			Assumption			202,432
	Building			Assumption			6,688,746
	Depreciable asset			Assumption			6,749
11	Insurance			The percentage of building replacement cost		0.03%	440,530
12	Lease-up cost						91,667
13	Other expenses						0
b	Total expense Total (6-13)			Operating expense ratio		(12.3%)	8,090,124
c	NOI (a – b)						57,909,876
14	(+) Interest on deposit			Rate of return on deposit		(0.5%)	165,000
15	(-) Capital expenditure	per rentable area		4,001 yen/Tb			10,587,325
d	Net cash flow (c +14 – 15)						47,487,551
e	Cap rate (NCF basis)			(NOI basis)		6.1%	5.0%
Income capitalization approach value		per NRA	358,660 yen/Tb	(108,495yen/㎡)			949,000,000

[Remarks]

APPENDIX VI – VALUATION CERTIFICATES

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DCF Method Estimate Table

Appendix 3

1. Net Present Value Based on DCF Analysis

Unit : Yen

①	②							③
Present Value of NCF(10years)	A NCF of 11th year	B Terminal Cap Rate	C Sales proceed at the end of year 10	D Cost of Sales	E Net Sales Proceed	F Present Value Factor	G Present Value of Net Sales Proceed	Based on DCF Analysis
			A+B	C × 2.0%	C-D		E×F	①+②
369,821,281 39.31%	47,487,551	5.1%	931,128,458	18,622,569	912,505,889	0.6257	570,954,935 60.69%	940,776,216 941,000,000

2. Rate applied

Discount rate	4.8%
Terminal cap rate (NCF basis)	5.1%

3. Cash Flow

Unit : Yen

	Date of valuation	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5	Year- 6	Year- 7	Year- 8	Year- 9	Year- 10	Year- 11
	2016/12/31	2017/12/31	2018/12/31	2019/12/31	2020/12/31	2021/12/31	2022/12/31	2023/12/31	2024/12/31	2025/12/31	2026/12/31	
Rent income		66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
CAM		0	0	0	0	0	0	0	0	0	0	0
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Car parking		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Key money etc.		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Renewal fee		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Motorcycle		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Other revenue		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PGI		66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000
(-)Vacancy loss (Rented space)		0	0	0	0	0	0	0	0	0	0	0
See DCF CF Estimate Table		—	—	—	—	—	—	—	—	—	—	—
(-)Vacancy loss (Parking space)		0	0	0	0	0	0	0	0	0	0	0
Vacancy		—	—	—	—	—	—	—	—	—	—	—
EGI		66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000
Repairs		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Maintenance		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PM fee (EG)×1.0%		0	0	0	0	0	0	0	0	0	0	660,000
Change		—	—	—	—	—	—	—	—	—	—	—
Tax (Land)		202,432	202,432	202,432	202,432	202,432	202,432	202,432	202,432	202,432	202,432	202,432
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Tax (Building)		8,079,854	8,079,854	7,837,458	7,586,659	7,586,659	7,359,059	7,123,569	7,123,569	6,909,862	6,688,746	6,688,746
Change		±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%
Tax (Depreciable asset)		6,749	6,749	6,749	6,749	6,749	6,749	6,749	6,749	6,749	6,749	6,749
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Insurance		440,530	440,530	440,530	440,530	440,530	440,530	440,530	440,530	440,530	440,530	440,530
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Lease-up cost		0	0	0	0	0	0	0	0	0	0	91,667
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	+100.0%
Other expenses		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Total expense		8,729,565	8,729,565	8,487,169	8,236,370	8,236,370	8,008,770	7,773,280	7,773,280	7,559,573	7,338,457	8,090,124
Expense ratio		13.2%	13.2%	12.9%	12.5%	12.5%	12.1%	11.8%	11.8%	11.5%	11.1%	12.3%
NOI		57,270,435	57,270,435	57,512,831	57,763,630	57,763,630	57,991,230	58,226,720	58,226,720	58,440,427	58,661,543	57,909,876
(+)Return on deposit	0.5%	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Effective deposit		33,000,000	33,000,000	33,000,000	33,000,000	33,000,000	33,000,000	33,000,000	33,000,000	33,000,000	33,000,000	33,000,000
(-)Capital expenditure		10,587,325	10,587,325	10,587,325	10,587,325	10,587,325	10,587,325	10,587,325	10,587,325	10,587,325	10,587,325	10,587,325
NCF		46,848,110	46,848,110	47,090,506	47,341,305	47,341,305	47,568,905	47,804,395	47,804,395	48,018,102	48,239,218	47,487,551
Present Value Factor		0.9542	0.9105	0.8688	0.8290	0.7910	0.7548	0.7202	0.6872	0.6558	0.6257	
Present value of NCF		44,702,467	42,655,204	40,912,232	39,245,942	37,446,972	35,905,009	34,428,725	32,851,180	31,490,271	30,183,279	

[Note]

APPENDIX VI – VALUATION CERTIFICATES

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Hikari Heights Varus Tsukisamu-Koen Valuation Certificate

International Healthway Corporation Limited

Date: March 10, 2017

Certificate No: 17 – 137 – 5

A handwritten signature in black ink, appearing to read "Nagai", written over a light blue horizontal line.

Yoshinori Nagai
Real Estate Appraiser, MRICS

Colliers International
16-26, Roppongi 3-chome, Minato-ku, Tokyo
Member of Japan Association of Real Estate Appraisers

In undertaking a real estate opinion, the appraiser maintained a fair and reasonable attitude regardless of his/her own self interests or any other reasons, and the appraiser conducted real estate opinions impartially in accordance with proper moral conduct. The opinions, estimates and information provided or otherwise in relation hereto are made by Colliers International in its best judgment, in the utmost good faith and as far as possible based on data or sources which Colliers International believe to be reliable in the context hereto. Notwithstanding, we disclaim any liability in respect of any claim, which may arise from any errors or omissions or from providing such advice, opinions, judgment or information. This document is prepared as a desktop update based on the previous certificate submitted by Colliers International without site inspection or detailed due diligence of the subject property. The value estimated herein may differ from the one in the further appraisal.

APPENDIX VI – VALUATION CERTIFICATES



Preface

Hikari Heights Varus
Tsukisamu-Koen
Valuation Certificate

March 2017

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1. This certificate (hereinafter referred to as “the certificate”) is produced by a certified real estate appraiser, and is issued by Colliers International (hereinafter referred to as “the Company”)
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6. The certificate is a product which has a meaning in its entirety, and each part relates to other parts thereof. Therefore, the appraisers serve responsibility for the product in its entirety and not for documents other than the certificate submitted, such as articles, abstracts, summaries, reconstructed sentences, contents that have been edited or added, or replications.

APPENDIX VI – VALUATION CERTIFICATES



Valuation Certificate

Property: Hikari Heights Varus Tsukisamu-Koen
25 and other lots, Misono 9jo 8-chome,
Toyohira-ku, Sapporo City, Hokkaido
Prefecture, Japan

Client: International Healthway Corporation Limited

Owner: IHC Japan First TMK

Purpose: The Valuation Summary and the



accompanying Valuation Certificates have
been prepared for the inclusion in the
circular to Shareholders of International
Healthway Corporation Limited, a company
listed on the Catalist Board of the Singapore
Exchange Securities Trading Limited, in
connection with the mandatory
unconditional general cash offer by Standard
Chartered Bank and Credit Suisse
(Singapore) Limited for and on behalf of
Treasure International Holdings Pte. Ltd. a
direct wholly-owned subsidiary of OUE
Limited, to acquire all the issued and paid-up
ordinary shares in the capital of International
Healthway Corporation Limited.

Interest Valued: Freehold

Basis of Valuation Market Value

Land Area: 2,248.92 sq m (registered)

Town Planning: City Planning Area, Urbanization Promotion Area

Zoning: Category I Mid/High-Rise Exclusive Residential Lot

Site coverage ratio: 60%

Floor area ratio: 200%

Height Restriction Area (up to 33m), **Sunshade Restriction** (4m, 3h - 2h)

Landscape Planning Area

Brief Description: The subject property is a 10-storey paid nursing home building, located
approximately 500m southeast of Sapporo City Subway Toho Line Misono Station.
Each floor comprises several types of rooms. There are 57 units in total
(one-bedroom type and two-bedroom type from 2nd floor to 10th floor).



APPENDIX VI – VALUATION CERTIFICATES



Tenancy Profile: Signed 30-year long-term lease agreement.

Lease Condition: 30 years of lease term (standard lease)

NRA: 4,362.45 sq m (1,319.64 tsubo)

Valuation Approaches: Discounted Cash Flow Method / Direct Capitalization Method

Date of Valuation: December 31, 2016

Assessed Value: 736,000,000yen

Capitalization Rate: 5.0%

Terminal Capitalization Rate: 5.1%

Discount Rate: 4.8%

Value psm of NRA: 169,000yen / sq m

Assumptions, Disclaimers, Limitations & Qualifications This opinion report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

Prepared By: Colliers International Tokyo



APPENDIX VI – VALUATION CERTIFICATES

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Current Rent Roll

Appendix 1

(Unit: Yen)																		
FLR	Tenant	Type	Commencement (Original CNT)	Commencement (Current CNT)	Expiration of CNT	Occupancy	Use	㎡	Tsubo	Monthly Rent	Unit rent/Tb	Monthly CAM	Unit CAM/Tb	Monthly rent with CAM	Unit price with CAM/Tb	Deposi t (mos)	Deposit (net)	
1～10 F	Corporation	Standard	04/25/13	04/25/13	04/24/43	Occupied	Nursing home	4,362.45	1,319.64	3,800,000	2,880	0	0	3,800,000	2,880	6.0	22,800,000	
								Totals(occupied)	4,362.45	1,319.64	3,800,000	—	0	—	3,800,000	—	—	22,800,000
								Totals(vacant)	0.00	0.00	0	—	0	—	0	—	—	0
Vacancy Rate		0.0%																
								Totals	4,362.45	1,319.64	3,800,000	—	0	—	3,800,000	—	—	22,800,000

※ Based on the master lease agreement

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Direct Capitalization Estimate Table

Appendix 2

Unit: Yen

1	Rent Revenue						
	Nursing home	2,880yen/Tb	×	1,319.64Tb	×	12months	45,600,000
2	CAM Income						
	Nursing home	0yen/Tb	×	1,319.64Tb	×	12months	0
3	Other revenues (reimbursement)						
	Car parking	0yen/car	×	0cars	×	12months	0
	Key money etc.						0
	Renewal fee						0
	Utilities						0
	Motorcycle						0
	Other revenue						0
4	PGI Total (1-3)						45,600,000
5	Vacancy loss					(vacancy rate)	
	Nursing home					0.0%	0
a	EGI (4-5)						45,600,000
6	Repairs						0
7	Maintenance						0
8	Utilities						0
9	PM fee	EGI(excluding key money, renewal fee, and accompanied cost)			×	1.0%	456,000
10	Taxes						
	Land					Assumption	415,292
	Building					Assumption	3,977,765
	Depreciable asset					Assumption	0
11	Insurance					The percentage of building replacement cost	241,950
12	Lease-up cost						126,667
13	Other expenses						
	Leasehold						205,800
b	Total expense Total (6-13)					Operating expense ratio (11.9%)	5,423,474
c	NOI (a – b)						40,176,526
14	(+) Interest on deposit					Rate of return on deposit (0.5%)	114,000
15	(-) Capital expenditure			per rentable area	2,497 yen/Tb		3,295,717
d	Net cash flow (c +14 – 15)						36,994,810
e	Cap rate (NCF basis)					(NOI basis) 5.4%	5.0%
Income capitalization approach value		per NRA	560,759 yen/Tb		(169,629yen/㎡)		740,000,000

[Remarks]

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

DCF Method Estimate Table

Appendix 3

1. Net Present Value Based on DCF Analysis

Unit : Yen

①	②							③
Present Value of NCF(10years)	A NCF of 11th year	B Terminal Cap Rate	C Sales proceed at the end of year 10	D Cost of Sales	E Net Sales Proceed	F Present Value Factor	G Present Value of Net Sales Proceed	Based on DCF Analysis
			A+B	C × 2.0%	C-D		E×F	①+②
291,401,551 39.58%	36,994,810	5.1%	725,388,425	14,507,769	710,880,657	0.6257	444,798,027 60.42%	736,199,578 736,000,000

2. Rate applied

Discount rate	4.8%
Terminal cap rate (NCF basis)	5.1%

3. Cash Flow

Unit : Yen

	Date of valuation 2016/12/31	Year- 1 2017/12/31	Year- 2 2018/12/31	Year- 3 2019/12/31	Year- 4 2020/12/31	Year- 5 2021/12/31	Year- 6 2022/12/31	Year- 7 2023/12/31	Year- 8 2024/12/31	Year- 9 2025/12/31	Year- 10 2026/12/31	Year- 11
Rent income		45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
CAM		0	0	0	0	0	0	0	0	0	0	0
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Car parking		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Key money etc.		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Renewal fee		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Motorcycle		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Other revenue		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PGI		45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000
(-)Vacancy loss (Rented space)		0	0	0	0	0	0	0	0	0	0	0
See DCF CF Estimate Table		—	—	—	—	—	—	—	—	—	—	—
(-)Vacancy loss (Parking space)		0	0	0	0	0	0	0	0	0	0	0
Vacancy		—	—	—	—	—	—	—	—	—	—	—
EGI		45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000	45,600,000
Repairs		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Maintenance		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PM fee (EG)×1.0%		0	0	0	0	0	0	0	0	0	0	456,000
Change		—	—	—	—	—	—	—	—	—	—	—
Tax (Land)		415,292	415,292	415,292	415,292	415,292	415,292	415,292	415,292	415,292	415,292	415,292
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Tax (Building)		4,358,369	4,358,369	4,227,618	4,227,618	4,227,618	4,100,789	4,100,789	4,100,789	3,977,765	3,977,765	3,977,765
Change		±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%
Tax (Depreciable asset)		0	0	0	0	0	0	0	0	0	0	0
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Insurance		241,950	241,950	241,950	241,950	241,950	241,950	241,950	241,950	241,950	241,950	241,950
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Lease-up cost		0	0	0	0	0	0	0	0	0	0	126,667
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	+100.0%
Other expenses		205,800	205,800	205,800	205,800	205,800	205,800	205,800	205,800	205,800	205,800	205,800
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Total expense		5,221,411	5,221,411	5,090,660	5,090,660	5,090,660	4,963,831	4,963,831	4,963,831	4,840,807	4,840,807	5,423,474
Expense ratio		11.5%	11.5%	11.2%	11.2%	11.2%	10.9%	10.9%	10.9%	10.6%	10.6%	11.9%
NOI		40,378,589	40,378,589	40,509,340	40,509,340	40,509,340	40,636,169	40,636,169	40,636,169	40,759,193	40,759,193	40,176,526
(+)Return on deposit	0.5%	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000
Effective deposit		22,800,000	22,800,000	22,800,000	22,800,000	22,800,000	22,800,000	22,800,000	22,800,000	22,800,000	22,800,000	22,800,000
(-)Capital expenditure		3,295,717	3,295,717	3,295,717	3,295,717	3,295,717	3,295,717	3,295,717	3,295,717	3,295,717	3,295,717	3,295,717
NCF		37,196,872	37,196,872	37,327,623	37,327,623	37,327,623	37,454,452	37,454,452	37,454,452	37,577,476	37,577,476	36,994,810
Present Value Factor		0.9542	0.9105	0.8688	0.8290	0.7910	0.7548	0.7202	0.6872	0.6558	0.6257	
Present value of NCF		35,493,256	33,867,752	32,430,239	30,944,600	29,526,150	28,270,621	26,974,697	25,738,700	24,643,309	23,512,227	

[Note]

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Elysion Kaichi West Valuation Certificate

International Healthway Corporation Limited

Date: March 10, 2017

Certificate No: 17 – 136 – 13

Watanabe

Yutaka Watanabe
Real Estate Appraiser

Colliers International
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Member of Japan Association of Real Estate Appraisers

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APPENDIX VI – VALUATION CERTIFICATES



Preface

Elysion Kaichi West
Valuation Certificate

March 2017

Confidential

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APPENDIX VI – VALUATION CERTIFICATES



Valuation Certificate

Property: Elysion Kaichi West
1602-9 and other lots, Kaichi 2-chome,
Matsumoto City, Nagano Prefecture, Japan

Client: International Healthway Corporation Limited

Owner: IHC Japan First TMK

Purpose: The Valuation Summary and the accompanying Valuation Certificates have been prepared for the inclusion in the circular to Shareholders of International Healthway Corporation Limited, a company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited, in connection with the mandatory unconditional general cash offer by Standard Chartered Bank and Credit Suisse (Singapore) Limited for and on behalf of Treasure International Holdings Pte. Ltd. a direct wholly-owned subsidiary of OUE Limited, to acquire all the issued and paid-up ordinary shares in the capital of International Healthway Corporation Limited.



Interest Valued: Freehold

Basis of Valuation Market Value

Land Area: 796.98 sq m (registered)

Town Planning: City planning area, Urbanization Promotion Area
Category I Residential Lot / BCR: 60% / FAR: 200% / Quasi-fire proof area / Sunshade Restriction (4m, 4h-2.5h)

Brief Description: The subject property is a 4-storey paid nursing home, located approximately 1,200m northeast of JR Oito Line Kitamatsumoto Station. There are 29 units in total (one-bedroom type only).

Tenancy Profile: Signed 30-year long-term lease agreement.

Lease Condition: 30 years of lease term (standard lease)

NRA: 1,561.49 sq m (472.35 tsubo)

Valuation Approaches: Discounted Cash Flow Method / Direct Capitalization Method



APPENDIX VI – VALUATION CERTIFICATES



Date of Valuation: December 31, 2016

Assessed Value: 465,000,000yen

Capitalization Rate: 5.1%

Terminal Capitalization 5.2%

Rate:

Discount Rate: 4.9%

Value psm of NRA: 298,000yen / sq m

Assumptions, This opinion report is provided subject to the assumptions, qualifications,
Disclaimers, limitations and disclaimers detailed throughout this report which are made in
Limitations & conjunction with those included within the Assumptions, Qualifications,
Qualifications Limitations & Disclaimers section located within this report. Reliance on this report
and extension of our liability is conditional upon the reader's acknowledgement
and understanding of these statements. This opinion is for the use only of the party
to whom it is addressed and for no other purpose. No responsibility is accepted to
any third party who may use or rely on the whole or any part of the content of this
opinion. The valuer has no pecuniary interest that would conflict with the proper
valuation of the property.

Prepared By: Colliers International Tokyo



APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Current Rent Roll

Appendix 1

(Unit: Yen)																		
FLR	Tenant	Type	Commencement (Original CNT)	Commencement (Current CNT)	Expiration of CNT	Occupancy	Use	㎡	Tsubo	Monthly Rent	Unit rent/Tb	Monthly CAM	Unit CAM/Tb	Monthly rent with CAM	Unit price with CAM/Tb	Deposit t (mos)	Deposit (net)	
1~4F	Corporation	Standard	04/25/13	04/25/13	04/24/43	Occupied	Nursing home	1,561.49	472.35	2,393,000	5,066	0	0	2,393,000	5,066	4.0	9,572,000	
								Totals(occupied)	1,561.49	472.35	2,393,000	—	0	—	2,393,000	—	—	9,572,000
								Totals(vacant)	0.00	0.00	0	—	0	—	0	—	—	0
Vacancy Rate		0.0%						Totals	1,561.49	472.35	2,393,000	—	0	—	2,393,000	—	9,572,000	
(1) Based on the current lease agreement.																		

※ Based on the master lease agreement

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

Direct Capitalization Estimate Table

Appendix 2

Unit: Yen

1	Rent Revenue					
	Nursing home	5,066yen/Tb	×	472.35Tb	×	12months
						28,716,000
2	CAM Income					
	Nursing home	0yen/Tb	×	472.35Tb	×	12months
						0
3	Other revenues (reimbursement)					
	Car parking					0
	Key money etc.					0
	Renewal fee					0
	Utilities					0
	Motorcycle					0
	Other revenue					0
4	PGI Total (1-3)					28,716,000
5	Vacancy loss			(vacancy rate)		
	Nursing home			0.0%		0
a	EGI (4-5)					28,716,000
6	Repairs					0
7	Maintenance					0
8	Utilities					0
9	PM fee	EGI(excluding key money, renewal fee, and accompanied cost)			×	1.0%
						287,160
10	Taxes					
	Land			Based on the actual amounts		126,284
	Building			Based on the actual amounts		1,786,266
	Depreciable asset			Based on the actual amounts		12,740
11	Insurance			The percentage of building replacement cost	0.05%	205,460
12	Lease-up cost					79,767
13	Other expenses					0
b	Total expense Total (6-13)			Operating expense ratio	(8.7%)	2,497,677
c	NOI (a – b)					26,218,323
14	(+) Interest on deposit			Rate of return on deposit	(0.5%)	47,860
15	(-) Capital expenditure			per rentable area	5,203 yen/Tb	2,457,800
d	Net cash flow (c +14 – 15)					23,808,383
e	Cap rate (NCF basis)			(NOI basis)	5.6%	5.1%
Direct capitalization approach value		per NRA	988,672 yen/Tb	(299,073yen/m ²)		467,000,000

[Remarks]

APPENDIX VI – VALUATION CERTIFICATES

Colliers International

DCF Method Estimate Table

Appendix 3

1. Net Present Value Based on DCF Analysis

Unit : Yen

①	A	B	C	D	E	F	G	③
Present Value of NCF(10years)	NCF of 11th year	Terminal Cap Rate	Sales proceed at the end of year 10	Cost of Sales	Net Sales Proceed	Present Value Factor	Present Value of Net Sales Proceed	Based on DCF Analysis
			A+B	C × 2.0%	C-D		E×F	①+②
186,870,795 40.19%	23,808,383	5.2%	457,853,519	9,157,070	448,696,449	0.6198	278,102,059 59.81%	464,972,854 ≈ 465,000,000

2. Rate applied

Discount rate	4.9%
Terminal cap rate (NCF basis)	5.2%

3. Cash Flow

Unit : Yen

	Date of valuation 2016/12/31	Year- 1 2017/12/31	Year- 2 2018/12/31	Year- 3 2019/12/31	Year- 4 2020/12/31	Year- 5 2021/12/31	Year- 6 2022/12/31	Year- 7 2023/12/31	Year- 8 2024/12/31	Year- 9 2025/12/31	Year- 10 2026/12/31	Year- 11
Rent income		28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
CAM		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Car parking		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Key money etc.		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Renewal fee		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Motorcycle		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Other revenue		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PGI		28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000
(-)Vacancy loss (Rented space)		0	0	0	0	0	0	0	0	0	0	0
See DCF CF Estimate Table		—	—	—	—	—	—	—	—	—	—	—
(-)Vacancy loss (Parking space)		0	0	0	0	0	0	0	0	0	0	0
Vacancy		—	—	—	—	—	—	—	—	—	—	—
EGI		28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000	28,716,000
Repairs		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Maintenance		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Utilities		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
PM fee (EGIX1.0%)		0	0	0	0	0	0	0	0	0	0	287,160
Change		—	—	—	—	—	—	—	—	—	—	—
Tax (Land)		126,284	126,284	126,284	126,284	126,284	126,284	126,284	126,284	126,284	126,284	126,284
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Tax (Building)		1,957,180	1,957,180	1,898,465	1,898,465	1,898,465	1,841,511	1,841,511	1,841,511	1,786,266	1,786,266	1,786,266
Change		±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%	-3.0%	±0.0%	±0.0%
Tax (Depreciable asset)		12,740	12,740	12,740	12,740	12,740	12,740	12,740	12,740	12,740	12,740	12,740
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Insurance		205,460	205,460	205,460	205,460	205,460	205,460	205,460	205,460	205,460	205,460	205,460
Change		±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%
Lease-up cost		0	0	0	0	0	0	0	0	0	0	79,767
Change		—	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	±0.0%	+100.0%
Other expenses		0	0	0	0	0	0	0	0	0	0	0
Change		—	—	—	—	—	—	—	—	—	—	—
Total expense		2,301,664	2,301,664	2,242,949	2,242,949	2,242,949	2,185,995	2,185,995	2,185,995	2,130,750	2,130,750	2,497,677
Expense ratio		8.0%	8.0%	7.8%	7.8%	7.8%	7.6%	7.6%	7.6%	7.4%	7.4%	8.7%
NOI		26,414,336	26,414,336	26,473,051	26,473,051	26,473,051	26,530,005	26,530,005	26,530,005	26,585,250	26,585,250	26,218,323
(+)Return on deposit	0.5%	47,860	47,860	47,860	47,860	47,860	47,860	47,860	47,860	47,860	47,860	47,860
Effective deposit		9,572,000	9,572,000	9,572,000	9,572,000	9,572,000	9,572,000	9,572,000	9,572,000	9,572,000	9,572,000	9,572,000
(-)Capital expenditure		2,457,800	2,457,800	2,457,800	2,457,800	2,457,800	2,457,800	2,457,800	2,457,800	2,457,800	2,457,800	2,457,800
NCF		24,004,396	24,004,396	24,063,111	24,063,111	24,063,111	24,120,065	24,120,065	24,120,065	24,175,310	24,175,310	23,808,383
Present Value Factor		0.9533	0.9088	0.8663	0.8258	0.7873	0.7505	0.7154	0.6820	0.6502	0.6198	
Present value of NCF		22,883,391	21,815,195	20,845,873	19,871,317	18,944,887	18,102,109	17,255,495	16,449,884	15,718,787	14,983,857	

[Note]

APPENDIX VI – VALUATION CERTIFICATES



Savills Real Estate Valuation (Guangzhou) Ltd-
Shanghai Branch

International Healthway Corporation Limited

2 Leng Kee Road #02-07

Thye Hong Centre

S159086

Tel.: (86) 21 6391 6688

Fax: (86) 21 6391 5370

25th Floor, Two ICC
No. 288 South Shanxi Road
Shanghai 200031, China

9 March 2017

Dear Sirs,

VALUATION OF

A. TWO PORTIONS OF NO.2, NORTH CHANGJIANG ROAD, NEW DISTRICT, WUXI CITY, JIANGSU PROVINCE, THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

B. NO. DJY3-9-12, LIANMENG VILLAGE, XINGFU TOWN, DUJIANGYAN, CHENGDU, SICHUAN PROVINCE, THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

(THE "PROPERTIES")

Introduction

The Valuation Summary and accompanying Valuation Certificates have been prepared for the inclusion in the circular to Shareholders of International Healthway Corporation Limited (the "Company"), a company listed on the Catalist board of Singapore Exchange Securities Trading Limited, in connection with the mandatory unconditional general cash offer by Standard Chartered Bank and Credit Suisse (Singapore) Limited for and on behalf of Treasure International Holdings Pte. Ltd., a direct wholly-owned subsidiary of OUE Limited, so to acquire all the issued and paid-up ordinary shares in the capital of International Healthway Corporation Limited for the offer shares.

In accordance with your instructions for us to value the Properties, we have conducted searches and made relevant inquiries and investigations as we consider necessary to provide you with our opinion of their current market values.

APPENDIX VI – VALUATION CERTIFICATES



Basis of Valuation

Our valuation of the Property is our opinion of its market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase(or transaction) and without offset for any associated taxes or potential tax.

Our valuation is prepared in accordance with the RICS valuation - Professional Standards published by Royal Institution of Chartered Surveyors' (RICS) (“the Red Book”), which is effective from 2014.

Valuation Methodology

In undertaking our valuation, we have mainly adopted the Residual Approach to value the Properties.

Under the Residual Approach, we firstly establish the market value of the Properties as if completed (“Gross Development Value”) at the valuation date based on the development scheme provided by the Company. The total unexpended costs of development including construction costs, professional fee and other associated expenses together with an allowance for interest expense, and developer’s profit are estimated and deducted from the Gross Development Value. The resultant residue figure is then adjusted back to the valuation date to arrive at the market value of the Properties. In undertaking our valuation, we have assumed that all consents, approvals and licenses from relevant government authorities for the development proposal have been obtained without onerous conditions or delays.

In respect of the assessment of the Gross Development Value of the Properties, we have adopted the Income Approach and the Direct Comparison Approach where appropriate.

Title Investigation

We have been provided with copies of title documents relating to the Properties. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies handed to us. In the course of our valuation, we have relied to a very

APPENDIX VI – VALUATION CERTIFICATES



considerable extent on the information given by the Company and the legal opinion issued by the PRC legal adviser to the Company regarding the titles to the Properties in the PRC.

Valuation Consideration and Assumptions

In valuing the Properties in the PRC, we have assumed that transferable land use rights of the Properties for their respective specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. Unless otherwise stated, we have also assumed that the owner of the Properties have enforceable titles and have free and uninterrupted rights to occupy, use, transfer, lease and assign the Properties for the whole of their respective unexpired terms as granted.

We have relied to a considerable extent on information and advice given by the Company on such matters as planning approvals, statutory notices, easements, tenure, particulars of occupancy, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificates are based on the information contained in the documents provided to us and are therefore only approximations. No on-site measurements have been taken. We have no reason to doubt the truth and accuracy of the information provided to us by the Company, which is material to our valuation. We are also advised by the Company that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Site Inspection

We have inspected the exterior and, where possible, the interior of the Properties. Site inspection of the Property A & B were carried out in March 2017 by our Mr. Bob Xiang (Valuer) and Mr. Lucas Lu (Valuer) respectively. During the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report that the Properties are free from rot, infestation and any other defects. No tests were carried out on any of the services.

APPENDIX VI – VALUATION CERTIFICATES



A summary of our valuation of the Properties are as follows:

No.	Property	Current Market Values
A	Two Portions of No.2, North Changjiang Road, New District, Wuxi City	RMB 157,000,000 (Existing Value) (excl. Civil Defence Portion)
		RMB 577,000,000 (Gross Development Value) (excl. Civil Defence Portion)
B	No.DJY3-9-12, Lianmeng Village, Xingfu Town, Dujiangyan, Chengdu	RMB 142,000,000 (Existing Value) (excl. Civil Defence Portion)
		RMB 361,000,000 (Gross Development Value) (excl. Civil Defence Portion)

Remarks

Unless otherwise stated, all money amounts stated are in Renminbi ("RMB").

We enclose herewith our valuation certificate.

Yours faithfully,
For and on behalf of

Savills Real Estate Valuation (Guangzhou) Ltd. Shanghai Branch

Andrew Kam
MBA, BSc (Hon), CIREA, RPS(GP), MRICS, MHKIS
Director

Encl.

Note: Mr. Andrew Kam is a qualified surveyor and has over 24 years' post-qualification experience in the valuation of properties in the PRC and Hong Kong.

APPENDIX VI – VALUATION CERTIFICATES



VALUATION CERTIFICATE

The Property (A)	(Portion 1) The leased portion of the existing the Grade-2 comprehensive hospital named as the Phoenix Hospital and the address was No.2 Changjiang Road North, New District, Wuxi City, Jiangsu Province, the People's Republic of China. (Portion 2) The leased portion of the new hospital complex to be completed by 2021 on the same parcel of land situated at No.2 Changjiang Road North, New District, Wuxi City, Jiangsu Province, the People's Republic of China.
Address of Property	No.2, North Changjiang Road, New District, Wuxi City
Valuation Date	31 December 2016
Site Area(sq.m.)	22,680.9
Location	The Property is located at the junction of Xinguang Road and Changjiang Road North, Wuxi City
Land Usage & Land Use Term	Charitable hospital usage (医卫慈善用地) and to be expired on 4 February 2055. As per the State-owned Land Use Rights Certificate No. Xi Xin Guoyong (2015) Di 1020, the land usage of the entire development is for charitable hospital usage (医卫慈善用地). However, as per the explanation provided by the Company, the above stated usage should not impose any adverse effect on the prevailing development plan and the planned business model. As such, we have assessed the Property based on the above development plan and business plan provided as of the date of valuation.

APPENDIX VI – VALUATION CERTIFICATES



**Property Description
(Portion 1)**

As of the date of valuation, the Grade-2 comprehensive hospital was erected thereon the portion of a parcel of land (the State-owned Land Use Rights Certificate No. Xi Xin Guoyong (2015) Di 1020) with a site area of approximately 22,680.9 sq m. It comprises two main buildings with a total gross floor area 4,663.94 sq m (with title documents) and the other extended temporary structure with a gross floor area 3,040.53 sq m (without title documents) for medical facilities.

As advised by the Company, the leased portion of the above two main buildings and the other extended temporary structure comprised the clinic of Korean Clinic (韩国诊所), Department of ENT (耳鼻喉科), Department of Rehabilitation (康复理疗科), Department of Gravel (碎石科) and Department of Hands and Feet Surgery (手足外科). The remaining unleased portion was self-operated as hospital.

**Property Description
(Portion 2)**

According to the latest development planning provided by the Company, a new modern hospital complex was proposed to be constructed on the parcel of land and the Portion 1 was scheduled to be demolished by the end of 2019. The total gross floor area of the new hospital complex is to be amounted to 148,210 sq m. It would comprise of two buildings: (i) a medical building which would accommodate 800 beds and various medical facilities such as rehabilitation centre, maternity wards, medical suites, etc. and; (ii) an annex building comprises of retail area and services apartment. The completion date of the new hospital complex is scheduled in 2021.

As advised by the Company, the leased portion of the new hospital complex comprises of (1) 420 beds and medical suites in the medical building and; (2) the whole annex building including the retail area and the serviced apartments.

As advised by the Company, there will be a Civil Defence Portion to be built as the 4-storey basement of the new hospital complex. It mainly comprises the retail area with gross floor area amounted to 3,745 sq.m at basement level 1 and the car parking spaces with gross floor area

APPENDIX VI – VALUATION CERTIFICATES



amounted to 25,000 sq.m (about 1,140 numbers in total). This Civil Defence Portion are not freely transferable in the market.

Notes:

1. Pursuant to the State-owned Land Use Rights Certificate No. Xi Xin Guoyong (2015) Di 1020 issued by Wuxi Municipal Government on 6 February 2015, the land use rights of a parcel of land with a site area of 22,680.9 sq m have been granted to Wuxi Yiling Real Estate Development Co., Ltd. (无锡医霖置业发展有限公司) for a term expiring on 4 February 2055 for charitable hospital use (医卫慈善用地).
2. Pursuant to the Real Estate Ownership Certificate Xi Fang Quan Zheng Xin Zi Di No. XQ1000950743 issued by Wuxi Real Estate Management Bureau on 4 February 2015, the building ownership of the Property with a total gross floor area of 4,663.94 sq m have been granted to Wuxi Yiling Real Estate Development Co., Ltd. (无锡医霖置业发展有限公司) for 教医科.
3. Pursuant to the latest planning permit issued by Wuxi Planning Bureau on 1st December 2015 with No. Xi Gui Zong (2015) 17, the plot ratio of the entire development was permitted to be expanded from 2.0 to 4.5.
4. In the course of our valuation, we notice that there is the Civil Defence Portion of the Property which comprises the retail area (GFA 3,745 sq.m) on B1 and car parking space (GFA 25,000 sq.m with total 1140 numbers of car park) are not freely transferable in the market. As such, for the Company's management reference, we have only reported the value of the abovementioned Civil Defence Portion on an investment value basis as such portion can be leased to receive rent for the remaining land use term of the Property. Investment value, according to the International Valuation Standards, which the Royal Institution of Chartered Surveyors' (RICS) ("the Red Book"), (2014 Edition) follows, is defined as "the value of an asset to the owner or a prospective owner for individual investment or operational objectives". Investment value is an entity-specific basis of value which reflects the benefits received by an entity from holding the asset and, therefore, does not necessarily involve a hypothetical exchange. We are therefore of the opinion that the investment value of the abovementioned Civil Defence Portion of the Property as at the valuation date was **RMB 94,000,000 (RENMINBI NINETY-FOUR MILLION ONLY)**.
5. We have prepared our valuation based on the following assumptions:

APPENDIX VI – VALUATION CERTIFICATES



- i. According to the latest planning permit issued by Wuxi Planning Bureau at 1st December 2015 with No. Xi Gui Zong (2015) 17, the plot ratio of the entire development was permitted to be 4.5.
- ii. The total estimated construction cost of the entire new development provided by the Company is amounted to RMB 636,751,000, of which RMB 392,552,000 is the estimated construction of the Property. As at the date of valuation, the incurred construction cost is approximately RMB 4,730,000. Please note that if there is any material change of the estimated construction cost payable, we will reserve our right to adjust the valuation accordingly.
- iii. As per the State-owned Land Use Rights Certificate No. Xi Xin Guoyong (2015) Di 1020, the land usage of the entire development is for charitable hospital usage (医卫慈善用地). However, as per the explanation provided by the Company, the above stated usage should not impose any adverse effect on the prevailing development plan and the planned business model. As such, we have assessed the Property based on the above development plan and business plan provided as of the date of valuation. Please note that if there is any material change of the land use and its associated development plan and business plan, we will reserve our right to adjust the valuation accordingly.
- iv. The Property is entitled to use, transfer (except the Civil Defence Portion of the Property as stated in Note 4), lease and mortgage the Property within the land use term; and
- v. The Property is not restricted by any judicial or administrative enforcement measures or other rights such as seizure, freeze, mortgage or auction.

APPENDIX VI – VALUATION CERTIFICATES



VALUATION CERTIFICATE

The Property (B)	No.DJY3-9-12, Lianmeng Village, Xingfu Town, Dujiangyan, Chengdu
Address of Property	No.2, North Changjiang Road, New District, Wuxi City
Site Area (sq.m.)	18,694.22
Valuation Date	31 December 2016
Location	The Property is located in the junction of Baolian Road and Rainbow Revenue, Lianmeng Village, Xingfu Town, Dujiangyan, Chengdu.
Land Usage & Land Use Term	Commercial usage expiring on 1 February 2053; Hospital usage expiring on 1 February 2063
Property Description	The Property comprises a parcel of vacant land with site area of approximately of 18,694.22 sq.m for commercial and medical use.
The Property Development	According to the latest development planning provided by the Company, the new complex would comprise a medical building as Phase I and an annex building with commercial & stepdown care & service apartment facilities as Phase II. Both Phase I and II was scheduled to be completed by the end of 2018. Phase I would accommodate total 200 wards, out of which 40 wards planned as O & G delivery and the remaining 160 wards planned as general medical services. Phase II would comprise approximately gross floor area of 25,000 sq.m. for service apartments & stepdown cares and approximately gross floor area of 15,000 sq.m. for commercial facilities. We notice that there is the Civil Defence Portion of the Property which comprises car parking space (GFA 15,000 sq.m with total 150 numbers of car-park) is not freely transferable in the market. As informed by the Company, the Property will be all leased out upon completion.

APPENDIX VI – VALUATION CERTIFICATES



Notes:

1. Pursuant to the State-owned Land Use Rights Certificate No. Du Guoyong (2015) Di 14053 issued by Dujiangyan Municipal Government on 18 December 2015, the land use rights of a parcel of land with a site area of 18,694.22 sq.m have been granted to Kanghui (Chengdu) Property Co.,Ltd (康慧(成都)置业有限公司) with a term expiring on 1 February 2053 for commercial use and 1 February 2063 for hospital use.
2. In the course of our valuation, we notice that there is the Civil Defence Portion of the Property which comprises car parking space (GFA 15,000 sq.m with total 150 numbers of car-park) is not freely transferable in the market. As such, for the Company's management reference, we have only reported the value of the abovementioned Civil Defence Portion on an investment value basis as such portion can be leased to receive rent for the remaining land use term of the Property. Investment value, according to the International Valuation Standards, which the Royal Institution of Chartered Surveyors' (RICS) ("the Red Book"), (2014 Edition) follows, is defined as "the value of an asset to the owner or a prospective owner for individual investment or operational objectives". Investment value is an entity-specific basis of value which reflects the benefits received by an entity from holding the asset and, therefore, does not necessarily involve a hypothetical exchange. We are therefore of the opinion that the investment value of the abovementioned Civil Defence Portion of the Property as at the valuation date was **RMB 660,000 (RENMINBI SIX HUNDRED AND SIXTY THOUSAND ONLY)**.
3. We have prepared our valuation based on the following assumptions:
 - i. As per the Construction cost Consulting Report signed off by Zhongjia Construction Consulting (Wuxi) Co., Ltd on 5 November 2015 provided by the Company, the construction cost of the Property is approximately RMB 168,000,000 excluding the equipment cost of approximately RMB 50,000,000. Under this circumstance, as requested by the Company, we have taken the construction cost provided as the above into account in our assessment. Please note that if there is any material change of the amount of the construction cost payable, we will reserve our right to adjust the valuation accordingly.

APPENDIX VI – VALUATION CERTIFICATES



- ii. The Property is entitled to use, transfer (except the Civil Defence Portion of the Property as stated in Note 2), lease and mortgage the Property within the land use term; and
- iii. The Property is not restricted by any judicial or administrative enforcement measures or other rights such as seizure, freeze, mortgage or auction.

APPENDIX VI – VALUATION CERTIFICATES

Raine&Horne

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Zaki + Partners Sdn. Bhd.**

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Our Ref : VKL17.193.03

10th March 2017

Mr. Foo Yong How

General Manager

IHC SEASONS RESIDENCES SDN BHD

c/o International Healthway Corporation Ltd

2 Leng Kee Road

#04-10A

Thye Hong Centre

SINGAPORE 159086

Dear Sir,

VALUATION OF A PARCEL OF COMMERCIAL DEVELOPMENT LAND WITH THE BENEFIT OF PLANNING APPROVAL FOR MIXED COMMERCIAL DEVELOPMENT IDENTIFIED AS LOT NO. 84 SECTION 63 HELD UNDER TITLE NO. PN 46289, TOWN AND DISTRICT OF KUALA LUMPUR, FEDERAL TERRITORY OF KUALA LUMPUR (HEREINAFTER REFERRED TO AS THE "SUBJECT PROPERTY")

In pursuance to your recent instruction to value the Subject Property for a purpose of Submission to Singapore Exchange Securities Trading Limited Main Board, in connection with the mandatory unconditional general cash offer by Standard Chartered Bank and Credit Suisse (Singapore) Limited, for and on behalf of Treasure International Holdings Pte. Ltd, we confirm we have inspected the property on 7th March 2017 as well as studied and analysed the prevailing market condition of similar properties in this locality.

FOR THE PURPOSE OF THIS VALUATION EXERCISE, THE DATE OF VALUATION SHALL BE ON 31ST DECEMBER 2016.

The Subject Property is a parcel of 99 year leasehold commercial development land which is situated fronting onto Jalan Kia Peng, near the intersection of Jalan Kia Peng - Jalan Stonor, Kuala Lumpur. The Subject Property is situated approximately 500 metres to the east of the Kuala Lumpur City Centre (KLCC). It is situated to the west of the intersection of Jalan Kia Peng and Jalan Stonor.

Access to the Subject Property from Kuala Lumpur City Centre is via Jalan P. Ramlee, Jalan Pinang and thence onto Jalan Kia Peng leading to the Subject Property.

Properties within the immediate vicinity of the Subject Property are mixed development in character including residential, commercial and institutional comprise bungalows, free standing commercial buildings, shopping complexes, hotels, serviced residences, high-end condominiums, recreational park and embassies.

The Subject Property has a titled land area of 4,724 sq. metres (50,849 sq. feet) and is almost trapezoidal in shape. The land is generally flat in physical terrain and lies at about the same level with the frontage name, Jalan Kia Peng.

At the time of inspection, we noted that the subject site is currently vacant, overgrown with bushes and shrubs. We further noted that the site is demarcated with plastered brickwall fencing whilst the entrance onto the subject site is not secured with any type of gate.



(Property, Plant & Machinery Valuation)

Perunding Harta Tanah Antarabangsa • International Property Consultants

PENANG IPOH KELANG PETALING JAYA SUBANG JAYA SEREMBAN MELAKA Kuantan JOHOR BAHRU KUCHING KOTA KINABALU

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APPENDIX VI – VALUATION CERTIFICATES



We have conducted a title search at the Registry of Land Titles, Wilayah Persekutuan Kuala Lumpur on 7th March 2017, confirming the details of the title particulars of the Subject Property as follows:-

Property	: Lot 84 Section 63, Town and District of Kuala Lumpur, Federal Territory Kuala Lumpur.
Title No.	: PN 46289.
Tenure	: 99-year leasehold expiring on 29 April 2108.
Land Area	: 4,724 sq. metres.
Annual Rent	: RM3,402.00.
Category of Land Use	: Building.
Registered Owner (s)	: IHC SEASONS RESIDENCES SDN BHD.
Expressed Condition	: Tanah ini hendaklah digunakan hanya untuk tapak bangunan kediaman sahaja.
Restriction In-Interest	: Tanah ini tidak boleh dipindahmilik, dipajak, dicagar atau digadai tanpa kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur.
Encumbrance	: The title is presently charged to PUBLIC BANK BERHAD by IHC SEASONS RESIDENCES SDN BHD vide Presentation No. 1019/2014, registered on 24th January 2014.
Endorsement	: A Private Caveat has been entered by PUBLIC BANK BERHAD vide Presentation No. 17122/2013 dated 22nd October 2013.

Our verbal inquiries with the Planning Department of Kuala Lumpur City Hall revealed that the Subject Property is zoned for mixed development use with a plot ratio of 1 to 9.98.

Our basis of valuation is the **Market Value**, which defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In arriving at the Market Value of the Subject Property, we have used the **Comparison Method of Valuation**.

The **Comparison Method of Valuation** seeks to determine the value of the property being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity. Due considerations are given for such factors including location, plot size, improvements made if any, surrounding developments, facilities and amenities available.

APPENDIX VI – VALUATION CERTIFICATES



In our opinion, the Market Value of the Subject Property as at 31st December 2016, with the benefit of unencumbered 99-year leasehold interest and having an unexpired term of about 91 years, free of all encumbrances, with vacant possession and also subject to the above provisions are **Ringgit Malaysia One Hundred And Eighty Million Only (RM180,000,000.00).**

We trust the above will meet with your immediate requirements and this letter is to be read and forms part and parcel of our Report and Valuation which will be submitted in due course.

Yours faithfully

**RAINE & HORNE INTERNATIONAL
ZAKI + PARTNERS SDN. BHD.**

MUHD HAZLY ABDUL KARIM

Registered Valuer
Reg. No. V-985

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