

HEALTHWAY MEDICAL CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 200708625C

Acquisition of Interest

Delisting Proposal and Exit Offer

On 3 July 2023, Healthway Medical Corporation Limited ("**Company**") issued a Joint Announcement with OUEH Investments Pte. Ltd. ("**Offeror**"), a subsidiary of OUE Healthcare Limited ("**OUEH**"), stating that the Offeror has made a proposal ("**Delisting Proposal**") to delist the Company from the Official List of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") pursuant to Rules 1307 and 1308 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").

Oversea-Chinese Banking Corporation Limited ("**OCBC Bank**") has been appointed as the financial adviser to the Offeror in connection with the Delisting Proposal and the Exit Offer. Under the Delisting Proposal, OCBC Bank will make, for and on behalf of the Offeror, a conditional exit offer ("**Exit Offer**") in cash, at SGD0.048 per Offer Share, to acquire all the shares in the capital of the Company other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it as at the date of the Exit Offer.

Acquisitions

The Company wishes to announce, pursuant to Catalist Rule 1008, that it has, in each case through a wholly-owned subsidiary, made the following acquisitions from different and unrelated vendors ("**Acquisitions**"):

- (a) a 60% stake in Urohealth Pte. Ltd., a provider of specialist urology services clinics in Singapore ("**Urohealth**"), from unrelated third parties ("**Urohealth Acquisition**"). Urohealth offers urology care in Singapore, including medical and surgical treatment for urological conditions;
- (b) an initial 49% stake in Lily Aw Medical Services Pte. Ltd., a general medical practice in Singapore ("**LA**"), from unrelated third parties, with a right to acquire the balance 51% stake in LA subject to achievement of certain agreed milestones ("**LA Acquisition**"); and
- (c) an acquisition of the business of Friendship Clinic & Surgery, a general medical practice in Singapore ("**FC**"), from unrelated third parties ("**FC Acquisition**").

The total consideration for the Acquisitions is up to SGD10.6 million, payable in cash, a portion of which, for certain of the Acquisitions, is subject to certain adjustments or is deferred subject to the achievement of certain milestones.

The consideration for each Acquisition was arrived at on a "willing buyer, willing seller" basis, taking into consideration the historical earnings of each target and its potential for further growth. Based on their respective management accounts, the net asset values of Urohealth and LA were SGD1.5 million as at 31 May 2023 and SGD0.2 million as at 30 April 2023, respectively. The consideration for the FC Acquisition was derived from the management accounts of FC, taking into account the future growth potential of the business of FC and potential synergistic benefits between such business and the business of the Company upon the FC Acquisition.

The Acquisitions, whether individually or in the aggregate, are not expected to have a material impact on the consolidated net asset value or earnings of the Company and its subsidiaries ("**Group**") for the financial year ending 31 December 2023.

Assuming the Acquisitions had been completed as of 31 December 2022 (the last audited balance sheet date of the Group), the net tangible assets ("**NTA**") of the Group as at 31 December 2022 will be reduced from SGD45.8 million to SGD37.0 million.

Non-discloseable Transaction

Each Acquisition falls below the 5% materiality threshold, and is therefore a "non-discloseable transaction", under the Catalist Rules. However, as the Company is presently in an "offer period" following the announcement of the Delisting Proposal and the Exit Offer, the Company is releasing this announcement. The Offeror has agreed to the release of this announcement and has agreed that the Acquisitions will not be regarded as a frustrating action under Rule 5 of the Singapore Code on Take-Overs and Mergers.

Responsibility Statement

The Directors (including any who may have delegated supervision of this announcement) have taken all reasonable care to ensure the facts stated and all opinions expressed herein (other than those relating to the Delisting Proposal and the Exit Offer, OUEH, the Offeror and persons acting in concert with it) are fair and accurate, and where appropriate, no material facts have been omitted, the omission of which would make any statement in this announcement misleading and they hereby collectively and individually accept full responsibility.

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

Issued by

HEALTHWAY MEDICAL CORPORATION LIMITED

Mr Chen Yeow Sin

Lead Independent Director

31 July 2023

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the sponsor is Ms. Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.