

HEALTHWAY MEDICAL CORPORATION LIMITED

(Registration No.: 200708625C)

(Incorporated in the Republic of Singapore)

(the “**Company**”)

INTERESTED PERSON TRANSACTION – MASTER LEASE AGREEMENT ENTERED INTO WITH ALKAS REALTY PTE. LTD.

1. INTRODUCTION

The Board of Directors of the Company (the “**Board**”) wishes to announce that the Company has on 30 November 2017 signed a master lease agreement (the “**Master Lease Agreement**”) with Alkas Realty Pte. Ltd. (“**Alkas**”), which is a wholly-owned subsidiary of OUE Limited (“**OUEL**”). Pursuant to the Master Lease Agreement:

- (a) the units situated at #10-09 and #10-09A of 6 Shenton Way, OUE Downtown 2, Singapore 068809 (the “**Premises**”) would be leased to the Company for a period of 36 months commencing on 1 August 2017 and expiring on 31 July 2020 (“**Term**”); and
- (b) the Term comprised a rent-free period of four (4) months between 1 August 2017 to 30 November 2017 (“**Rent-free Period**”).

2. DETAILS OF THE INTERESTED PERSON

Rickon Holdings Limited (“**RHL**”) is deemed to be interested in approximately 40.82% of the entire issued shares of the Company by virtue of its direct shareholding in Continental Equity Inc. and indirect shareholding in Gentle Care Pte. Ltd. RHL is wholly-owned by Lippo China Resources Limited (“**LCRL**”). Skyscraper Realty Limited (“**SRL**”) is interested in approximately 72.60% of the entire issued shares in LCRL. SRL is a wholly-owned subsidiary of First Tower Corporation (“**FTC**”), which in turn is a wholly-owned subsidiary of Lippo Limited (“**Lippo**”). Given the above, Lippo is deemed to be indirectly interested in approximately 40.82% of the entire issued shares of the Company and hence is a controlling shareholder of the Company.

Lippo is an intermediate holding company of Pacific Landmark Holdings Limited (“**PLHL**”). PLHL is the joint owner of Lippo ASM Asia Property Limited, which in turn is the immediate holding company of Fortune Code Limited (“**FCL**”). FCL is the holding company of Golden Concord Asia Limited (“**GCAL**”). GCAL has a direct interest of 12.91% and a deemed interest of 55.72% in OUEL. Alkas is a wholly-owned subsidiary of OUEL. Alkas is an entity in which Lippo and other companies taken together (directly or indirectly) have an interest of 30% or more. Accordingly, Alkas is regarded as an associate of Lippo pursuant to the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”).

3. ANNOUNCEMENT OF INTERESTED PERSON TRANSACTION (“IPT”) AND RULE 916(1) OF THE CATALIST RULES

As the Master Lease Agreement is entered into between the Company and an associate of the Company’s controlling shareholder, the Master Lease Agreement and the lease thereunder would constitute an IPT under Chapter 9 of the Catalist Rules.

The total transaction value (excluding goods and services tax), which comprises the monthly rental and the service charge based on current rate, for the duration of the Term is approximately S\$1,869,519 ("**IPT Value**") and represents 5.18% of the latest audited net tangible assets ("**NTA**") of the Company and its subsidiaries (collectively, the "**Group**"). The Group's latest audited NTA as at 31 December 2016 was S\$36,123,000. As the IPT Value is more than 5% of the Group's latest audited NTA, pursuant to Rule 906 of the Catalist Rules, the Company's entry into the Master Lease Agreement would require the approval of the Company's shareholders ("**Shareholders**").

However, the lease is for a period not exceeding three (3) years and the terms of the Master Lease Agreement are supported by an independent valuation report ("**Valuation Report**") from Savills Valuation And Professional Services (S) Pte Ltd. The Effective Rental Rate (as defined below) payable by the Company pursuant to the Master Lease Agreement is also lower than the market rental value as at 11 October 2017 indicated in the Valuation Report. Accordingly, the Company is exempted under Rule 916(1) of the Catalist Rules from seeking the approval of the Shareholders for the Master Lease Agreement and the lease thereunder.

4. DETAILS OF THE MASTER LEASE AGREEMENT

Under the Master Lease Agreement, the Premises occupy a floor area of 687 square metres. The rental rate of S\$85.04 per square meter ("**sqm**") (including service charge based on current rate) was arrived at after negotiation between the parties. Taking into consideration the Rent-free Period, the effective rental rate of the Premises would be S\$75.59 per sqm for the Term ("**Effective Rental Rate**"). A refundable security deposit amounting to three months of the rental is payable by the Company upon the entry into the Master Lease Agreement.

5. RATIONALE AND BENEFIT TO THE COMPANY

The Premises are situated at a strategic location within the central business district which will be logistically convenient for the Company's use as its main corporate office. In addition, as the Effective Rental Rate under the Master Lease Agreement is lower than the market rate as indicated in the Valuation Report, the entry into the Master Lease Agreement will result in cost-savings for the Group.

6. TOTAL VALUE OF IPT

Save for the Master Lease Agreement, the Company has not entered into any other interested person transactions with OUEL (excluding transactions less than S\$100,000) since the beginning of this financial year ended 31 December 2017 ("**FY2017**") up to the date of this announcement.

Other than the Master Lease Agreement, the Company had also entered into a sub-lease agreement with OUE Lippo Healthcare Limited ("**OUELH**") (formerly known as International Healthway Corporation Limited) dated 30 November 2017 for the sublease of unit #10-09A of the Premises for a period of 36 months commencing from 1 August 2017 (the "**OUELH Sublease**") which comprises the Rent-free Period. The total value of the OUELH Sublease for the duration of 36 months is S\$653,107 and falls below 3% of the Group's latest audited NTA.

OUEL has a total interest of 86.16% (direct and deemed) in OUELH. Based on the shareholding structure described under Paragraph 2 above, OUELH is considered as an associate of Lippo, which is a controlling shareholder of the Company.

Accordingly, save for the Master Lease Agreement, the total value of transactions with all interested persons (excluding transactions less than S\$100,000) since the beginning of FY2017 up to the date of this announcement is S\$653,107.

Save for the above IPT, there are no other IPTs (exclude IPT less than S\$100,000) entered into by the Company since the beginning of FY2017 up to the date of this announcement.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, none of the Directors or substantial shareholders of the Company has any direct or indirect interest (other than through their respective shareholdings in the Company) in the Master Lease Agreement.

8. DOCUMENTS FOR INSPECTION

A copy of each of the Master Lease Agreement and the Valuation Report are available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Raymond Lam Kuo Wei
Company Secretary

30 November 2017

*This announcement has been prepared by Healthway Medical 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 SGXST 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 (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).