

# HEALTHWAY MEDICAL CORPORATION LIMITED

(Company Registration No.: 200708625C)

(Incorporated in the Republic of Singapore)

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## DISPOSAL OF THE ENTIRE SHAREHOLDING INTEREST IN CLAAS MEDICAL CENTRE PTE. LTD.

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### 1. DETAILS OF THE TRANSACTION

The Board of Directors of Healthway Medical Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that Unimedic Pte. Ltd. (“**Unimedic**”), a wholly-owned subsidiary of the Company, has on 30 September 2018 entered into a sale and purchase agreement (“**SPA**”) with Dr Liew Kou Chuen (the “**Purchaser**”) for the disposal of 499,993 ordinary shares in CLAAS Medical Centre Pte. Ltd. (“**CLAAS**”), which represents Unimedic’s entire 99.9% shareholdings in CLAAS (the “**Proposed Disposal**”). The Purchaser is one of the existing shareholders of CLAAS, who collectively own the remaining 0.1% in CLAAS.

CLAAS owns 100% of BCNG Pte Ltd (“**BCNG**”, and, together with CLAAS, the “**Disposal Group**”), which provides medical aesthetics and wellness treatments under the NeuGlow Brand. Upon Completion (as defined herein) of the SPA, Unimedic will cease to have any shareholding interest in CLAAS.

### 2. RATIONALE OF THE PROPOSED DISPOSAL

As part of its business optimisation strategy, the Management has committed to reviewing the performance of all business units to improve operational efficacy. In line with the Group’s intent and continual efforts to enhance operations, the Group has decided to exit the wellness business through the Proposed Disposal.

### 3. PRINCIPAL TERMS OF THE SPA

#### 3.1 Consideration

The consideration for the Proposed Disposal is S\$150,000 (the “**Consideration**”), to be paid by the Purchaser in cash on Completion. The Consideration was arrived at pursuant to arm’s length negotiations between the Purchaser and Unimedic, on a “willing-buyer, willing-seller” basis after taking into consideration (i) the net asset value of the Disposal Group; and (ii) the business, and loss making condition of the Disposal Group.

The net asset value (“NAV”) of the Disposal Group based on the unaudited NAV of the Disposal Group as at 30 June 2018 was approximately S\$200,000. Based on the unaudited NAV of the Disposal Group as at 30 June 2018, the deficit of the Consideration over the NAV is approximately S\$50,000. The unaudited net loss attributable to the Disposal Group for the six (6) months ended 30 June 2018 was approximately S\$76,000. The loss on disposal is expected to be approximately S\$68,000. The proceeds from Proposed Disposal will be used for Group’s general working capital purpose.

### 3.2 Salient terms of the SPA

The SPA is conditional upon the satisfaction (or waiver) of certain condition precedents, including:-

- (i) the entry into by BCNG and Healthway Medical Enterprises Pte. Ltd. of an assignment agreement in relation to the lease of the premises currently occupied by BCNG; and
- (ii) the addition of a nominee designated by the Purchaser as a joint operating signatory to the bank accounts operating in respect of the Disposal Group for the purposes of settlement of certain inter-company balances post-completion.

As of the date of this announcement, all condition precedents in the SPA have been fulfilled or waived, the Consideration has been settled by the Purchaser and the transfer of shares in CLAAS to the Purchaser has been completed. Accordingly, the completion of the Proposed Disposal has taken place (“Completion”).

## 4. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“Catalist Rules”) based on the Group’s unaudited consolidated financial statements for the 6 months ended 30 June 2018 (“HY2018”) are as follows:

Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	0.1% <sup>(1)</sup>
Rule 1006(b)	Net profits of approximately attributable to the assets disposed of, compared with the Group's net profits	-66.09% <sup>(2)</sup>

Rule 1006(c)	Aggregate value of the consideration received compared with the Company's market capitalisation <sup>(3)</sup> based on the total number of issued shares excluding treasury shares	0.08% <sup>(3)</sup>
Rule 1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
Rule 1006(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable

**Notes:**

- (1) Computed based on the unaudited net NAV of the Disposal Group and the Group of S\$200,000 and S\$186,537,000 respectively as at 30 June 2018.
- (2) Computed based on the unaudited net loss attributable to the Disposal Group of S\$76,000 and the Group's unaudited net profit of S\$115,000 for HY2018.
- (3) Computed based on the consideration for the Proposed Disposal of S\$150,000 and the market capitalisation of the Company of S\$176,622,892 (based on 4,528,792,100 ordinary shares issued in the capital of the Company (**Shares**) and the weighted average price of S\$0.039 per share transacted on 28 September 2018, being the market day preceding the date of the SPA).

The relative figures computed under Rule 1006(a) and 1006(c) of the Catalist Rules does not exceed 5%. Notwithstanding, as the profit test under Rule 1006(b) of the Catalist Rules involves a negative figure, the Proposed Disposal shall constitute a "Disclosable Transaction" pursuant to Chapter 10 of the Catalist Rules.

## 5. FINANCIAL EFFECTS

The pro forma financial effects of the Proposed Disposal on the Group have been prepared based on the Group's audited consolidated financial statements for financial year ended 31 December 2017 and are purely for illustration purposes only and do not reflect the actual future results and financial position of the Group following the completion of the Proposed Disposal.

### 5.1 Net Tangible Assets ("**NTA**")

Assuming that the Proposed Disposal had been completed on 31 December 2017, the effect of the Proposed Disposal on the NTA of the Group as at 31 December 2017 are as follows:

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Consolidated NTA (S\$'000)	44,320	44,339
Consolidated NTA per share (Singapore cents)	(1.38)	(1.38)

## 5.2 Loss Per Share (“LPS”)

Assuming that the Proposed Disposal had been completed on 1 January 2017, the effect of the Proposed Disposal on the LPS of the Group as at 1 January 2017 are as follows:

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Consolidated loss attributable to the equity holders of the Company (S\$'000)	(34,790)	(34,927)
LPS (Singapore cents)	(1.09)	(1.09)

## 6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the controlling shareholders or Directors of the Company or the Group has any interest, direct or indirect, in the Proposed Disposal save for their interests arising by way of their shareholdings and/or directorships, as the case may be, in the Company and/or the Group.

## 7. DOCUMENTS FOR INSPECTION

A copy of the SPA will be made available for inspection at the Company's registered office during normal business hours for a period of three (3) months from the date of this announcement.

## BY ORDER OF THE BOARD

Raymond Lam Kuo Wei  
Company Secretary

1 October 2018

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*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 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 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.*

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