

HEALTHWAY MEDICAL CORPORATION LIMITED

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

INTERESTED PERSON TRANSACTIONS ENTERED INTO BY THE GROUP WITH ALKAS REALTY PTE. LTD.

1. INTRODUCTION

The Board of Directors of the Company (the “**Board**”) wishes to announce that Healthway Medical Group Pte. Ltd. (“**HMG**”), a wholly-owned subsidiary of the Company, has on 3 December 2018 accepted two (2) letters of offer (the “**Leases**”) issued by Alkas Realty Pte. Ltd. (“**Alkas**”), which is a wholly-owned subsidiary of OUE Limited (“**OUEL**”) in relation to lease of units situated at #02-15 and #03-11/12/13 of 6A Shenton Way, Downtown Gallery, Singapore 068815 (the “**Premises**”).

Pursuant to the Leases:

- (a) the units situated at #02-15 of 6A Shenton Way, Downtown Gallery, Singapore 068815 would be leased to HMG for a period of five (5) years commencing on 19 March 2019 and expiring on 18 March 2024; and
 - (b) the units situated at #03-11/12/13 of 6A Shenton Way, Downtown Gallery, Singapore 068815 would be leased to HMG for a period of five (5) years commencing on or about 1 May 2019 and expiring after sixty (60) months from the commencement date;
- (collectively, the “**Terms**”)
- (c) the Terms comprised a rent-free period of two (2) months each year during the duration of the lease of each Premise (“**Rent-free Period**”).

The terms of the Leases were negotiated and made on normal commercial terms at arm’s length basis.

2. DETAILS OF THE INTERESTED PERSON

Each of Lippo Limited (“**LL**”), Lippo Capital Limited (“**LCL**”), Lippo Capital Holdings Company Limited (“**LCH**”), Lippo Capital Group Limited (“**LCG**”), Dr Stephen Riady, PT Trijaya Utama Mandiri (“**PT Trijaya**”) and Mr James Tjahaja Riady is deemed to be interested in approximately 40.82% of the issued shares of the Company and hence each of them is deemed as a controlling shareholder of the Company. Dr Stephen Riady is also a director of the Company. Accordingly, each of LL, LCL, LCH, LCG, PT Trijaya, Dr Stephen Riady and Mr James Tjahaja Riady is considered as an interested person (“**HMC Interested Persons**”) for the purposes of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”).

Each of LL, LCL, LCH, LCG, PT Trijaya, Dr Stephen Riady and Mr James Tjahaja Riady is deemed to be interested in approximately 68.65% of the shares in OUEL. As Alkas is a wholly-owned subsidiary of OUEL, Alkas is an entity in which each of the HMC Interested Persons has an indirect interest of 30% or more and is regarded as an associate of each of the HMC Interested Persons and therefore an interested person as defined under the Catalyst Rules. Accordingly, the Leases will constitute an interested person transaction for the purposes of the Catalyst Rules.

3. INTERESTED PERSON TRANSACTION (“IPT”) AND RULE 905 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 Terms is approximately S\$2.0 million (“**IPT Value**”) and represents 4.51% 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 2017 was S\$44.32 million.

As the IPT Value is more than 3% but less than 5% of the Group’s latest audited NTA the entry into the Leases with Alkas requires an immediate announcement pursuant to Rule 905 of the Catalist Rules.

4. DETAILS OF THE LEASES

The Premises will be leased to HMG for a term of five (5) years. Taking into consideration the Rent-free Period, the aggregate gross rentals (inclusive of service charge) for the Leases over the Terms for each year are as below:

Premises	Year 1	Year 2	Year 3	Year 4	Year 5
#02-15	\$ 114,260	\$ 122,570	\$ 124,647	\$ 124,647	\$ 124,647
#03-11/12/13	\$ 259,897	\$ 278,799	\$ 283,524	\$ 283,524	\$ 283,524

Save for the Leases with IPT Value of S\$2.0 million, there are no other IPTs (excluding transactions less than S\$100,000 each) entered into by the Company with any other persons or Alkas since the beginning of the current financial year, being 1 January 2018 up to the date of this announcement.

5. RATIONALE AND BENEFIT TO THE COMPANY

The Premises are situated at a strategic location, which is ideal for expansion of health screening centre, GP and Dental care with good catchment area of potential patients around the central business district.

6. AUDIT COMMITTEE STATEMENT

The Audit Committee of the Company has reviewed the terms of the Leases and is of the view that the IPT is transacted on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

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 Leases.

8. DOCUMENTS FOR INSPECTION

A copy of each of the Leases is 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

3 December 2018

*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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