



OXLEY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore under Registration No. 201005612G)

PROPOSED GRANT OF CONVERTIBLE LOAN FACILITY TO INTERNATIONAL HEALTHWAY CORPORATION LIMITED

Introduction

The Board of Directors (the "**Board**") of Oxley Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has, together with Mr Ching Chiat Kwong ("**CCK**") and Mr Low See Ching ("**LSC**"), entered into a non-binding term sheet (the "**Term Sheet**") to grant a convertible loan facility in the aggregate amount of up to S\$50,000,000 (the "**Loan**") to International Healthway Corporation Limited ("**IHC**").

Under the Term Sheet, CCK and LSC, who are Directors and controlling shareholders of the Company, shall grant a convertible loan facility in the aggregate amount of up to S\$5,000,000, which shall be fully repaid when the Loan is made available by the Company. Amounts of S\$1,512,328.77 and RM335,014.84 have been drawn under loan facility to be granted by CCK and LSC.

IHC

IHC is listed on the Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). As at 5 December 2016, CCK held 19.15% interest and LSC held 7.12% interest in the issued share capital of IHC. The Company, CCK and LSC shall be deemed to be parties acting in concert in relation to IHC.

Proposed terms of the Loan

Use of proceeds of the Loan

The proceeds of the Loan shall be utilised by IHC only for the following purposes:

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

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

Conversion of the Loan

During the period of two years commencing from the date on which the last of the Conditions (as defined below) has been fulfilled (the "**Loan Conversion Period**"), the Company shall have the right to convert the total outstanding amount under the Loan into new fully paid ordinary shares of IHC ("**IHC Shares**") at the issue price of S\$0.06102 per share (the "**Issue Price**", being a 10% discount to

the volume weighted average price of IHC Shares of S\$0.0678 on 23 January 2017), whereupon IHC shall issue the relevant number of new IHC Shares, credited as fully paid up, to the Company or its nominee in full settlement of the outstanding amount under the Loan (the "**Loan Conversion**"), provided that at any time during the Loan Conversion Period, in addition to the aforesaid right to convert the total outstanding amount under the Loan into new IHC Shares, the Company shall have the right to subscribe for additional new IHC Shares at the Issue Price for an amount up to the net sum of S\$50,000,000 less the total outstanding amount under the Loan (the "**Additional Subscription**").

Interest on the Loan

Interest at the rate of 6% per annum shall accrue on the outstanding principal amount of the Loan, provided that upon the conversion of the Loan into IHC Shares, interest shall cease to accrue on the amount of the Loan which has been converted.

Conditions

The Company's obligation to grant the Loan, the Loan Conversion and the Additional Subscription shall be conditional on the following matters, amongst others (the "**Conditions**"):

- (a) the Company having obtained the approval of its shareholders at an extraordinary general meeting to be convened for the grant of the Loan in accordance with the terms thereof, in compliance with all applicable laws and listing rules;
- (b) IHC having obtained the approval of its shareholders at an extraordinary general meeting to be convened for, *inter alia*, the Loan, the Loan Conversion, the Additional Subscription and the issue of new IHC Shares pursuant thereto;
- (c) the Securities Industry Council (the "**SIC**") having granted the Company, CCK, LSC and their concert parties (the "**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 IHC not held by the Concert Parties and from having to comply with the requirements of Rule 14 of the Code, and all conditions which may be imposed by the SIC in granting such waiver having been fulfilled;
- (d) IHC having received the listing and quotation notice from the SGX-ST for the dealing and quotation of the new IHC Shares to be issued to the Company or its nominee(s) pursuant to the Loan Conversion and the Additional Subscription;
- (e) the execution of all relevant definitive agreements ("**Definitive Agreements**"), including but not limited to convertible loan agreements between the Company and IHC; and
- (f) all consents and approvals of any relevant parties which are necessary or required for all transactions contemplated under the Term Sheet having been obtained.

Repayment of Loan

Unless the outstanding amount of the Loan has been converted into new IHC Shares, the Company shall be entitled on demand to request IHC in writing to repay the whole of the Loan or any part thereof for the time being outstanding and unpaid together with interest thereon, and all such repayment sums shall be made by IHC within five business days from the date of request by the Company.

Undertakings of IHC

In consideration of the Loan, IHC shall undertake, *inter alia*, as follows:

- (a) IHC shall grant to the Company the first right of refusal in respect of the joint development of properties owned by IHC on terms to be agreed; and

- (b) to the extent permissible under applicable laws and subject to the consents and approvals of all relevant third parties, IHC shall procure that the Loan is secured by such of IHC's assets as may be acceptable to the Company.

Expiry of Term Sheet

The Term Sheet will automatically expire and be of no further force and effect on the earliest to occur of:

- (a) the expiration of three months from the date of the Term Sheet; or
- (b) the execution of the Definitive Agreements.

Shareholders' Approval

In view that CCK and LSC collectively hold more than 20% of the total issued share capital of IHC, the prior approval of the shareholders of the Company at a general meeting is required for the grant of the Loan under Section 163 of the Companies Act (Chapter 50).

Interests of Directors and Controlling Shareholders

Save for CCK and LSC, none of the other Directors of the Company has any interest, directly or indirectly, in the aforesaid transaction, save through his shareholding in the Company (if any).

By Order of the Board

Ching Chiat Kwong
Executive Chairman and CEO
8 February 2017