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**LIPPO LIMITED**  
力寶有限公司  
(Incorporated in Hong Kong  
with limited liability)  
(Stock Code: 226)

**LIPPO CHINA RESOURCES LIMITED**  
力寶華潤有限公司  
(Incorporated in Hong Kong  
with limited liability)  
(Stock Code: 156)

## **JOINT ANNOUNCEMENT**

### **POSSIBLE MAJOR TRANSACTION**

#### **UPDATE ON THE VOLUNTARY CONDITIONAL CASH OFFER FOR SHARES IN HEALTHWAY MEDICAL CORPORATION LIMITED BY RHB SECURITIES SINGAPORE PTE. LTD. FOR AND ON BEHALF OF GENTLE CARE PTE. LTD. (AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF LIPPO CHINA RESOURCES LIMITED)**

Reference is made to the joint announcements issued by Lippo and LCR dated 7th February, 2017, 12th March 2017 and 20th March 2017 (the “**Announcements**”) and the initial circulars of each of Lippo and LCR dated 23rd March, 2017 (the “**Circulars**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meaning as defined in the Announcements and Circulars.

On 23rd March, 2017, Healthway announced (the “**Healthway 23 March Announcement**”) that it had agreed with the Subscriber certain amendments to the Subscription Agreement by way of an amended and restated agreement dated 23rd March, 2017 (the “**Amended and Restated Agreement**”). The respective Boards of Lippo and LCR wish to update their shareholders and potential investors on further developments in relation to the Offer and the terms of the Amended and Restated Agreement between Healthway and the Subscriber.

## **INTRODUCTION**

Reference is made to the Announcements and Circulars. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements and Circulars.

On 20th March, 2017, Healthway announced, among other things, that it had received an alternative proposal from the Subscriber in order to meet Healthway's immediate liquidity requirements and the Healthway Board was reviewing the aforesaid alternative proposal which is subject to regulatory approvals and requirements in Singapore.

## **AMENDMENTS TO THE TERMS OF THE SUBSCRIPTION AGREEMENT**

On 23rd March, 2017, Healthway announced the Healthway 23 March Announcement in which Healthway announced that it had agreed with the Subscriber certain amendments to the Subscription Agreement by way of the Amended and Restated Agreement and the Healthway Board is of the view that the Amended and Restated Agreement is in the best interest of Healthway and Healthway Shareholders.

Based on the Healthway 23 March Announcement, the key amendments to the Subscription Agreement are set out below:

- (1) No Initial Notes will be issued. Instead, Healthway will issue CN B for an aggregate principal amount of S\$70,000,000 (equivalent to approximately HK\$385,000,000) in two tranches, comprising the first tranche of the CN B ("**T1 CN B**") in a principal amount of S\$10,000,000 (equivalent to approximately HK\$55,000,000) and will be disbursed on the first closing date (the "**First Closing Date**") being the earlier of 25th March, 2017 or the date of Healthway's receipt of the listing and quotation notice from the SGX-ST, provided that the conditions precedent are fulfilled and/or waived (if capable of being waived) which include Healthway receiving:
  - (i) confirmation from the SIC that the proposed amendments specific to the issuance of T1 CN B are not regarded as a frustration of the Offer under the Singapore Takeovers Code;
  - (ii) confirmation from the SGX-ST that the T1 CN B may be issued by Healthway without having obtained the Healthway Shareholders' approval; and
  - (iii) approval in principle from the SGX-ST for the listing and quotation of the Healthway Shares to be issued upon conversion of the T1 CN B.

Based on the Healthway 23 March Announcement, conditions (i) and (ii) above have been met.

- (2) The second tranche of the CN B ("**T2 CN B**") will comprise a principal amount of S\$60,000,000 (equivalent to approximately HK\$330,000,000) and will be disbursed 2 business days after all the conditions precedent for the T2 CN B have been fulfilled (and continue to be fulfilled) and/or waived (if capable of being waived) by the long stop date being 21st April, 2017 (the "**Second Closing Date**"). These conditions precedent include among other things, Healthway Shareholders' approval for the issuance of the T2 CN B and for Healthway to exercise the option to acquire HME at an extraordinary general meeting (the "**Healthway EGM**") to be convened.
- (3) The CN B does not carry a coupon;

- (4) The maturity date for both of the T1 CN B and T2 CN B to be 5 years from the issue date of T1 CN B;
- (5) CN B is redeemable at maturity at 100% of the principal amount and a redemption premium that shall enable the Noteholder to achieve an internal rate of return of 6% on the principal amount of the CN B for the period from the issue date (being the issue date for T1 CN B (in respect of T1 CN B) and the issue date of T2 CN B (in respect of T2 CN B) respectively) to the maturity date;
- (6) There are no change of control redemption provisions in the terms of the CN B; and
- (7) Upon the disbursement of the T1 CN B on the First Closing Date, the Subscriber shall have the right to appoint one non-executive director nominated by the Subscriber to the Healthway Board and upon the disbursement of the T2 CN B on the Second Closing Date, the Subscriber shall not have the right to nominate a second non-executive director to the Healthway Board or the right to consent to the appointment of the chief executive officer and chief financial officer.

It is expected that the Healthway EGM will be convened by 21st April, 2017.

#### **AGGREGATE PRICE PAYABLE**

For illustration purposes, assuming all CN B (with a principal of S\$70,000,000 (equivalent to approximately HK\$385,000,000) were issued and all the Noteholders accepted the Convertible Notes Offer, the Maximum Convertible Notes Offer Price payable by the Offeror in relation to the Convertible Notes Offer (where applicable) shall be approximately S\$86,879,000 (equivalent to approximately HK\$477,800,000) based on the maximum number of 2,068,557,919 Healthway Shares being issued. Accordingly, the aggregate consideration paid and to be paid by the LCR Group to acquire the Healthway Shares in full and to acquire the Convertible Notes under the Convertible Notes Offer in full would be S\$187,705,000 (equivalent to approximately HK\$1,032,000,000) assuming that the Offer will be accepted by all the Healthway Shareholders and the Convertible Notes Offer will be accepted by the Noteholder in full.

The information contained in this announcement is based only on the Healthway 23 March Announcement released by Healthway.

The respective Boards of Lippo and LCR will continue to closely monitor and keep their respective shareholders updated on any further material developments in the abovementioned matters as and when appropriate and required.

By Order of the Board  
**LIPPO LIMITED**  
**Davy Lee**  
*Secretary*

By Order of the Board  
**LIPPO CHINA RESOURCES LIMITED**  
**Millie Luk**  
*Secretary*

Hong Kong, 23rd March, 2017

*For the purpose of illustration only and unless otherwise stated, conversion of S\$ into HK\$ in this announcement is based on the exchange rate of S\$1.00 to HK\$5.5. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.*

As at the date of this announcement, the board composition of each of Lippo and LCR is as follows:

**Lippo**

*Executive Directors:*

Dr. Stephen Riady (*Chairman*)

Mr. John Luen Wai Lee  
(*Managing Director and  
Chief Executive Officer*)

*Non-executive Directors:*

Mr. Jark Pui Lee

Mr. Leon Nim Leung Chan

*Independent Non-executive Directors:*

Mr. Edwin Neo

Mr. King Fai Tsui

Mr. Victor Ha Kuk Yung

**LCR**

*Executive Directors:*

Dr. Stephen Riady (*Chairman*)

Mr. John Luen Wai Lee  
(*Chief Executive Officer*)

Mr. James Siu Lung Lee

*Non-executive Director:*

Mr. Leon Nim Leung Chan

*Independent Non-executive Directors:*

Mr. Edwin Neo

Mr. King Fai Tsui

Mr. Victor Ha Kuk Yung