HEALTHWAY MEDICAL CORPORATION LIMITED
Registration No.: 200708625C

OPTION TO ACQUIRE A NON-RELATED COMPANY - HEALTHWAY MEDICAL ENTERPRISES PTE. LTD.

The Board of Directors (the "**Board**") of Healthway Medical Corporation Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcement of the Company dated 30 December 2016 and paragraph 10 of the Company's unaudited financial statements for the financial year ended 31 December 2016 announced on 24 February 2017 in relation to the exercise of a pre-existing option ("**Option**") by the Group to acquire Healthway Medical Enterprises Pte. Ltd. ("**HME**") (collectively, the "**Announcements**").

Further to the Announcements, the Board wishes to update that following discussions with the sole owner of HME ("**Vendor**"), the Group, HME and the Vendor have agreed by way of a supplementary addendum to, *inter alia*, the following amendments to the Option:

(a) The shares of HME held by the Vendor comprising 100% of the total issued shares of HME ("**Option Shares**"), shall include all rights and interests to the clinics owned by HME when transferred to Healthway Medical Group Pte. Ltd. ("**HMG**") (being a wholly-owned subsidiary of the Company that will be acquiring HME);

(b) The purchase consideration for the purchase of the Option Shares (which shall include all rights and interest to the medical clinics owned by HME) shall be S$3,540,000 ("**Purchase Consideration**") and in the event of the Option being exercised, the Purchase Consideration shall be settled via the offset of the advances made on 17 June 2013 and 21 November 2014, and no further cash payment is required from HMG;

(c) The expiry of the Option shall be extended from 31 March 2017 to 30 June 2017, and the exercise of the Option shall be subject to the fulfilment of the following conditions:

    (i) the approval of shareholders of the Company (being the holding company of HMG) in a general meeting being obtained for the exercise of the Option, the purchase of the Option Shares, and such other matters as are necessary in compliance with the relevant provisions of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited; and

    (ii) the Vendor, HME or HMG not having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated, and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened; and

(d) Unless otherwise agreed, completion of the transfer of the Option Shares (together with all rights and interest to the medical clinics owned by HME) shall occur on the same day on which the Option is exercised.

As announced by the Company on 23 March 2017 ("**23 March Announcement**"), the receipt of Shareholders' approval for the exercise of the Option at the extraordinary general meeting to be convened by 21 April 2017 ("**EGM**"), is one of the conditions precedent for the issuance of T2 CN B (as defined in the 23 March Announcement) amounting to a principal amount of S$60 million. Further details in relation thereto can be found in the 23 March Announcement. A circular containing, *inter alia*, the notice of the EGM and details in relation to the exercise of the Option will be despatched to shareholders in due course.

A copy of the supplementary addendum is available for inspection during normal business hours at the registered office of the Company at 2 Leng Kee Road #06-07 Thye Hong Centre, Singapore

159086 for a period of three months from the date of this announcement.

Trading Caution

In the meantime, the Board wishes to advise Shareholders and investors to exercise caution when dealing in the Shares and to refrain from taking any action in relation to their Shares which may be prejudicial to their interests. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers immediately.

Responsibility Statement

The Directors of the Company (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate, and that there are no material facts not contained in this announcement, the omission of which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement.

By Order of the Board

Veronica Chan Wee Ping
President
30 March 2017

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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 SGX-ST 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, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.