**HEALTHWAY GETS NEW LEASE OF LIFE;**
**AGREES TO REVISED CONVERTIBLE NOTES DEAL**
**WITH SINGAPORE PE FIRM GATEWAY PARTNERS**

- Deal structure provides immediate as well as longer term capital to Healthway for sustainable growth

- Proceeds from first tranche will fund immediate liquidity needs and enable Healthway to fully restore payment schedules for its doctors and suppliers

- Gateway to appoint non-executive director to the Healthway board

SINGAPORE, 23 March 2017 – Healthway Medical Corporation Limited ("Healthway") today announced that it has agreed to a revised convertible notes deal with Singapore private equity firm Gateway Partners ("Gateway"), following extensive discussions and amendments to the original proposal.

Ms Veronica Chan, President of Healthway, said, "With the initial tranche of proceeds, our priority is to ensure that our doctors and staff receive their salaries, that our operational issues are resolved, and to continue to take care of our patients. We look forward to having Gateway on board as a long-term partner to support our continued and sustainable growth."

Mr Khoo Yee Hoe, Chairman of Healthway, added, "The board and management carried out extensive discussions and reviewed all the details of all the options presented and available to the company, before arriving at a decision that we think best suits the company's needs in the circumstances. We understand that this process has taken a fair bit of time. We apologise for the time taken, and appreciate the understanding of our doctors, staff and customers as we move forward."

Gateway Partners is a Singapore private equity firm focused on investing in South East Asia, South Asia, Middle East and Africa. It has offices in Singapore and Dubai.

Under the revised subscription agreement, Healthway will issue Convertible Notes "B" ("CN B") to Gateway for an aggregate principal amount of S$70 million, in two tranches.

The first tranche ("T1 CN B") will comprise S$10 million, while the second tranche ("T2 CN B") will comprise S$60 million. The Exchange has informed the Company that shareholders' approval is not required for T1 CN B pursuant to Rule 803 of the Catalist Rules, on the basis that Gateway will nominate one non-executive director to the Healthway board, with the existing board of five members remaining; that shareholders' approval be obtained before Healthway issues T2 CN B; that the board not be reconstituted until shareholders' approval for issuance of T2 CN B is obtained; and that Gateway can only exercise its rights under the Negative Covenant after Healthway shareholders approve the issuance of T2 CN B.

The S$10 million raised from the T1 CN B will enable Healthway to fulfil its immediate liquidity needs.

Healthway will use the proceeds to fund immediate operational needs, including the settlement of salaries and other requirements. The proceeds will also support the restoration of normal payment schedules to its doctors and suppliers.

The convertible notes carry no coupon and are redeemable at maturity at 100 percent of the principal amount plus a cash redemption premium payable upon maturity or if an event of default occurs, that will give Gateway a 6% internal rate of return on its principal, for the periods from the respective issue dates of T1 CN B and T2 CN B, to the maturity date. Both tranches of notes mature five years from the issue date of T1 CN B.

T1 CN B will be issued on or before 25 March 2017, subject to the receipt of the listing and quotation notice from the Singapore Exchange for the conversion shares issued pursuant to the conversion of T1 CN B. The disbursement of proceeds from the second tranche will take place only after the approval of shareholders for the issuance of T2 CN B. The approval is expected to be sought at an extraordinary general meeting to be held by 21 April 2017.

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**About Healthway**

Healthway Medical Group offers quality healthcare services across the medical field in paediatrics, orthopaedics, dental surgery, ear, nose & throat, sports medicine, aesthetics, child development, ophthalmology, psychological wellness, cardiology, general surgery, specialist dentistry, obstetrics and gynaecology. The Group has a strong presence in Singapore, owning, operating and managing almost 100 medical centres and clinics which are easily accessible and located in the communities.

Since our establishment in 1990, Healthway Medical and our subsidiaries have stayed committed to providing accessible quality care with positive outcomes to our patients.

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*This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this press release.*

*This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this press release including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release.*

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