HEALTHWAY MEDICAL CORPORATION LIMITED
Registration No.: 200708625C

If you are in any doubt as to its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser immediately.

This executive summary should be read in conjunction with the 'CIRCULAR TO SHAREHOLDERS' dated 6 April 2017.

EXECUTIVE SUMMARY OF THE ORDINARY RESOLUTIONS TO BE TABLED AT THE 21 APRIL 2017 EXTRAORDINARY GENERAL MEETING ("EGM")

RESOLUTIONS FOR CONSIDERATION AND SUBSEQUENT VOTING AT THE EGM

ORDINARY RESOLUTION 1

Proposed issue of S$60 million zero-coupon convertible notes due 2022 by Healthway Medical Corporation Limited ("Healthway") to GW Active Limited ("Gateway")

ORDINARY RESOLUTION 2

Proposed acquisition of Healthway Medical Enterprises Pte. Ltd ("HME")

SUMMARY OF POSSIBLE SCENARIOS

SCENARIO 1
BOTH ORDINARY RESOLUTIONS ARE PASSED

Healthway will acquire **HME to build up scale of operations** by adding 24 HME clinics to its network. Healthway **will receive S$60 million** from Gateway to fund its further growth, among other objectives.

SCENARIO 2
ORDINARY RESOLUTION 1 IS PASSED; ORDINARY RESOLUTION 2 IS NOT PASSED

Gateway **may subscribe** for the convertible notes and if so, Healthway will receive S$60 million to fund its further growth, among other objectives.

Gateway **may choose not to subscribe** and Healthway **will continue to face liquidity pressure** without the S$60 million gross proceeds from the convertible notes issuance, and **may not be able to continue as a going concern**, unless alternative funding is obtained.

Healthway **will not acquire** HME and **will not be able to build up scale of operations** by adding 24 HME clinics to its network.

SCENARIO 3
ORDINARY RESOLUTION 1 IS NOT PASSED; ORDINARY RESOLUTION 2 IS PASSED

Healthway will decide if it will acquire HME, depending on its balance sheet position and liquidity situation, among other factors.

Gateway **will not be able to subscribe** for the convertible notes and Healthway **will continue to face liquidity pressure** without the S$60 million gross proceeds from the convertible notes issuance, and **may not be able to continue as a going concern**, unless alternative funding is obtained.

SCENARIO 4
BOTH ORDINARY RESOLUTIONS ARE NOT PASSED

Healthway **will not acquire** HME and **will not be able to build up scale of operations** by adding 24 HME clinics to its network.

Healthway **will continue to face liquidity pressure** without the S$60 million gross proceeds from the convertible notes issuance, and **may not be able to continue as a going concern**, unless alternative funding is obtained.

ADDITIONAL POINTS TO NOTE

- The circular that you have received together with this executive summary contains more information on the two resolutions for your consideration and subsequent vote at our EGM.
- The proposed issue of convertible notes (Ordinary Resolution 1) is conditional upon the completion of the Proposed Acquisition (Ordinary Resolution 2).
- If Ordinary Resolution 2 is not passed, Gateway is not obliged to subscribe for the T2 CN B of S$60 million even if Ordinary Resolution 1 is passed.
- If Ordinary Resolution 2 is passed, but Ordinary Resolution 1 is not passed, Healthway may choose not to proceed with the Proposed Acquisition.
- On 27 March 2017, a company linked to Lippo Group extended its general offer for all the shares of Healthway to 2 May 2017. There is no certainty that this general offer will be declared unconditional. Healthway will still require additional sources of funding regardless of the outcome of the general offer.
- Regardless of whether Shareholders vote in favour of Ordinary Resolutions 1 and 2 on 21 April 2017, they can still thereafter decide on whether to accept the offer from the Lippo-linked company by 2 May 2017.
- Gateway has informed Healthway that it does not intend to make a general offer for the company.

Directors' Responsibility Statement

The directors of Healthway ("Directors") collectively and individually accept full responsibility for the accuracy of the information given in this summary and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this summary have been arrived at after due and careful consideration and this summary and the Circular constitute full and true disclosure of all material facts about the Proposed Transactions (as defined in the Circular), Healthway and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this summary or the Circular misleading. Where information in this summary has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this summary in its proper form and context.

This executive summary has been prepared by the Company and its contents have been reviewed by the Company's sponsor, 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 executive summary.

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

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.