

HEALTHWAY MEDICAL CORPORATION LIMITED

(Registration No.: 200708625C)

(Incorporated in the Republic of Singapore)

RE-ALLOCATION AND UTILISATION OF T2 CN B NET PROCEEDS

The Board of Directors (“**Board**”) of Healthway Medical Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the completion of issuance of S\$60 million zero-coupon convertible notes due 2022 by the Company (“**T2 CN B**”) as announced on 21 April 2017, pursuant to which net proceeds of approximately S\$59.8 million (after deducting expenses of S\$0.2 million) (“**T2 CN B Net Proceeds**”) was raised.

The Board wishes to update on the re-allocation and utilisation of the T2 CN B Net Proceeds.

After a review of the Group’s cash flow needs for working capital and acquisition plans, the Board has decided to re-allocate an aggregate of S\$6.0 million of the unutilised T2 CN B Net Proceeds, of which S\$3.0 million was originally allocated for acquisition of specialists’ clinics – hospital based oncology and dermatology clinics and another S\$3.0 million originally allocated for acquisition of specialists’ clinics – paediatrics, to short term liquidity needs which includes working capital (the “**Re-allocation**”). The Board is of the view that the Re-allocation is in the best interests of the Company and its shareholders as this will strengthen the Group’s working capital position.

The following table summarises the Re-allocation and utilisation of the T2 CN B Net Proceeds:

Intended Purposes (S\$ million)	Amount allocated (S\$ million)	Reallocation Amount (S\$ million)	Amount allocated after the Re- allocation (S\$ million)	Amount utilised as at 28 December 2017 (S\$ million)	Amount Unutilised as at 28 December 2017 (S\$ million)
Short term liquidity needs	23.8	6.00	29.8	24.44 ⁽¹⁾	5.36
Organic expansion of GP clinics	2.0	-	2.0	0.53	1.47
Acquisition of specialists’ clinics – hospital-based oncology and dermatology clinics	16.0	(3.0)	13.0	-	13.0
Acquisition of specialists’ clinics – paediatrics	18.0	(3.0)	15.0	-	15.0
Total	59.8	-	59.8	24.97	34.83

Note:-

(1) Mainly for the repayment of loans, payment of salaries and payments to suppliers.

The Company will continue to make periodic announcements on further utilisation of the remaining T2 CN B Net Proceeds as and when it is materially disbursed, and will provide a status report on the use of the T2 CN B Net Proceeds in the Company’s interim and full year financial statements and the Company’s annual report.

BY ORDER OF THE BOARD

Raymond Lam Kuo Wei
Company Secretary

29 December 2017

*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 Catalyst. 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 SGXST 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.*

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