

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

Registration No.:201304341E

(Incorporated in the Republic of Singapore)

(In receivership over charged shares in certain subsidiaries)



PROPOSED APPOINTMENT OF AUDITORS

The Board of Directors (the “**Board**”) of International Healthway Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the following announcements (“**Announcements**”):

- (a) the announcement dated 13 July 2016 in relation to, *inter alia*, the resignation of PricewaterhouseCoopers LLP (“**PwC**”) as auditors of the Company after the conclusion of the annual general meeting of the Company held on 13 July 2016 (“**2016 AGM**”), as PwC declined to seek re-appointment as auditors of the Company at the 2016 AGM as it had expressed that it had not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the Group for the financial year ended 31 December 2015 in its Disclaimer of Opinion which was included in the Independent Auditor's Report dated 3 June 2016 (“**Reason for Cessation**”);
- (b) the announcement by the Company dated 12 October 2016 setting out that, *inter alia*, the proposed appointment of Baker Tilly TFW LLP (“**Baker Tilly**”) as auditors of the Company was not passed at the extraordinary general meeting of the Company held on 12 October 2016; and
- (c) the announcement by the Company dated 24 January 2017 setting out that, *inter alia*, the proposed appointment of Baker Tilly as auditors of the Company was not passed at the extraordinary general meeting of the Company held on 23 January 2017.

Further to the Announcements, the Board has, together with the management of the Company, made efforts to source and identify suitable candidates to be appointed as new auditors of the Company, and the Board is proposing to appoint KPMG LLP (“**KPMG**”) as auditors of the Company, subject to approval from shareholders of the Company (“**Shareholders**”) being obtained at an extraordinary general meeting to be convened (“**EGM**”).

The Board is of the opinion that KPMG is suited to meet the existing needs and audit requirements of the Group, taking into consideration the requirements under Rules 712 and 715 of Section B: Rules of Catalist of the listing manual of the Singapore Exchange Securities Trading Limited (“**Catalist Rules**”), including, *inter alia*, the fee quotation provided by KPMG, the adequacy of the resources of KPMG, the experience (including industry experience) of KPMG and the audit engagement partner assigned to the Group, and the fact that KPMG are also the auditors of the Company's parent company, OUE Limited, which will create synergy and consistency in group reporting and alignment of accounting practices if KPMG is appointed as the Company's auditors.

KPMG has on 13 April 2017 given its written consent to act as auditors of the Company. The proposed appointment of KPMG as auditors of the Company is subject to approval from Shareholders being obtained at the EGM. If the requisite approval from Shareholders is obtained at the EGM, the appointment of KPMG as auditors of the Company would take effect upon such approval being obtained, and KPMG will hold office until the conclusion of the next annual general meeting of the Company.

In accordance with the requirements of Rule 712(3) of the Catalist Rules:

- (a) PwC has confirmed, by way of a letter dated 13 April 2017, that apart from the Reason for Cessation, they are not aware of any professional reasons why KPMG should not accept appointment as auditors of the Company;
- (b) the Company confirms that there were no disagreements with PwC on accounting treatments within the last twelve (12) months up to the date of the 2016 AGM, whereby PwC's resignation as auditors of the Company became effective following the conclusion of the 2016 AGM pursuant to its intention not to seek re-appointment as auditors of the Company at the 2016 AGM;
- (c) the Company confirms that it is not aware of any circumstances connected with the proposed appointment of KPMG as auditors of the Company that should be brought to the attention of Shareholders;
- (d) the proposed appointment of KPMG as auditors of the Company is due to PwC declining to stand for re-election at the 2016 AGM due to the Reason for Cessation; and
- (e) the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the proposed appointment of KPMG as its new auditors.

A circular containing further details on the proposed appointment of KPMG as auditors of the Company, together with the notice of EGM, will be despatched to Shareholders in due course.

By Order of the Board

Tay Eng Kiat Jackson
Director
17 April 2017

*This announcement has been prepared by 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.