

PROPOSED CHANGE OF AUDITOR FROM FOO KON TAN LLP TO PKF-CAP LLP

1. Introduction

The board of directors (the “**Board**” or “**Directors**”) of Asiaphos Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the Company’s intention to undertake a change of auditor of the Company and the Company’s significant subsidiaries (the “**Relevant Entities**”) from Foo Kon Tan LLP (“**FKT**”) to PKF-CAP LLP (“**PKF**”) for the current financial year ending 31 December 2024 (the “**Proposed Change of Auditor**”).

Subject to paragraph 2.5 below, the Company will be seeking approval from the shareholders of the Company (“**Shareholders**”) for the Proposed Change of Auditor at an extraordinary general meeting to be convened (the “**EGM**”).

2. The Proposed Change of Auditor

2.1 The Company’s current auditor, FKT, has been serving as auditor of the Company since May 2020 and was last re-appointed at the annual general meeting (“**AGM**”) of the Company held on 30 April 2024, to hold office until the conclusion of the next AGM.

2.2 As part of the Group’s corporate governance initiatives and the Group’s ongoing efforts to manage its overall business costs and expenses amidst the challenging business climate, the Board is of the view that it would be appropriate and timely to effect a change of auditor for the Relevant Entities.

2.3 The Audit Committee of the Company had taken into consideration the requirements under Rules 712 and 715 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and various factors, such as the adequacy of resources and experience of both audit firms, the firms’ experience in similar industry, the number and experience of supervisory and professional staff to be assigned to the audit. After its evaluation, the Audit Committee had recommended to the Board that PKF be selected for the proposed appointment on the basis that it best suits the current business and operational needs of the Group.

The Audit Committee has considered, among others, the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore (“**ACRA**”), the adequacy of the resources and experience of PKF and the audit engagement partner assigned to the audit, other audit engagements of PKF, the Group’s audit requirements, the size and complexity of the Group and the number and experience of supervisory and professional staff of PKF to be assigned to the audit, the fee structure and audit arrangements proposed by PKF.

2.4 The Board has taken into account the Audit Committee’s recommendation, including the factors considered in its evaluation, and is satisfied that PKF will be able to meet the audit requirements of the Group. The Board has, therefore, accepted the Audit Committee’s recommendation and shall recommend to the Shareholders for consideration and approval to appoint PKF as auditor of the Relevant Entities.

There will not be changes in the scope of audit to be provided by PKF as compared to the scope of audit previously provided by FKT. PKF has provided the Company with consent to act as auditors of the Company. The appointment of PKF shall be subject to the approval of shareholders of the Company at an extraordinary general meeting to be convened for the Proposed Change of Auditors (“**EGM**”).

2.5 In connection with the above:

- (a) The Company had, on 15 August 2024, notified FKT of its intention to change auditors, and received notice of FKT 's application to ACRA dated 23 August 2024, to seek ACRA's consent to FKT's resignation as auditor of the Relevant Entities pursuant to Section 205AB of the Companies Act 1967 of Singapore (the "**Companies Act**").
- (b) Pursuant to Section 205AB(5) of the Companies Act, the resignation of FKT will take effect upon the later of (a) the day (if any) specified for the purpose in the notice of resignation of FKT; (b) the day on which ACRA notifies FKT and the Company of its consent to the resignation; or (c) the day (if any) fixed by ACRA. As of the date of this announcement, FKT has not yet received notice regarding ACRA's consent for FKT to resign as auditor as at the date of the announcement and that the Company will confirm the exact resignation date when it is available.
- (c) Further, pursuant to Rule 712(3) of the Catalist Rules and Section 205AF of the Companies Act, the Proposed Change of Auditor must be specifically approved by Shareholders in a general meeting. If so appointed, the appointment of PKF as auditor of the Relevant Entities will, therefore, take effect upon the later of (a) the date of approval of the Proposed Change of Auditor by Shareholders at the EGM, and (b) the date of ACRA's consent to FKT's resignation, and if so appointed, PKF will hold office until the conclusion of the next annual general meeting of the Relevant Entities.

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

- (a) FKT has advised by way of a letter dated 6 September 2024 to PKF (the "**Professional Clearance Letter**"), that it is not aware of any professional reasons why PKF should not accept appointment as auditor of the Relevant Entities. In the Professional Clearance Letter, FKT also highlighted that (i) a disclaimer of opinion was issued for the Company for the year ended 31 December 2023 (the "**Disclaimer of Opinion**") in relation to (1) the appropriateness of the use of going concern assumptions, (2) assets and liabilities of disposal group, (3) recoverable amount of property, plant, and equipment, right-of-use assets and investment in subsidiaries, (4) trade and other payables; and (ii) a disclaimer of opinion was issued for AP New Energy Pte. Ltd. for the year ended 31 December 2023 in relation to the appropriateness of the use of going concern assumptions.
- (b) Save as disclosed in the auditor's report dated 4 April 2024 issued by FKT (the "**Audit Report**") for the Group's financial statements for the year ended 31 December 2023, which may be seen or be constituted as disagreements (i.e. the Disclaimer of Opinion), the Directors confirm that there are no disagreements with FKT on accounting treatments within the last 12 months. The Company draws attention to the Disclaimer of Opinion raised by the auditor in the Audit Report. Given the bases of the auditor's opinion as expressed therein, among others, (1) the appropriateness of the use of going concern assumptions, (2) assets and liabilities of disposal group, (3) recoverable amount of property, plant, and equipment, right-of-use assets and investment in subsidiaries, (4) trade and other payables, the Directors are of the view that the matters raised by the auditor may constitute disagreements between FKT and Management. Notwithstanding the foregoing, the Board confirms that it did not factor in the issuance of the disclaimer of opinion in its decision to recommend or to propose a change of auditors (i.e. the

Proposed Change of Auditors is neither due to, among others, the Disclaimer of Opinion or search for a favourable opinion);

- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditor that should be brought to the attention of Shareholders which has not been disclosed in this announcement;
- (d) the specific reasons for the Proposed Change of Auditor are as disclosed in this announcement (The Company confirms that the Proposed Change of Auditors is neither due to the dismissal of FKT nor FKT declining to stand for election. In addition, FKT were neither dismissed nor directed by the SGX-ST to be replaced under Rule 305(1)(eb) of the Catalist Rules); and
- (e) the Company confirms that it is, and will be, in compliance with Rules 712 and 715 of the Listing Manual in relation to the appointment of PKF as the Auditor of the Relevant Entities.

2.7 The Board wishes to express their appreciation for the services rendered by FKT.

3. Circular to Shareholders

A circular containing, among others, the notice of the EGM and the details of the Proposed Change of Auditor, will be issued to Shareholders in due course.

By Order of the Board

Mr. Ong Eng Keong @ Wang Rongkang
Executive Director and Chief Executive Officer

10 September 2024

This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Liao H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271.