

ASIATIC GROUP (HOLDINGS) LIMITED

(Company Registration No. 200209290R)

(Incorporated in the Republic of Singapore)

THE PROPOSED CHANGE OF AUDITORS FROM ERNST & YOUNG LLP TO FOO KON TAN LLP

1. The Board of Directors (the "**Board**") of Asiatic Group (Holdings) Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the announcement dated 14 February 2022 and 17 February 2022 with regards to the resignation of auditors of the Company (the "**Announcements**"). Following to the Announcements, the Board wishes to announce the Company's intention to appoint Foo Kon Tan LLP ("**FKT**") as external auditors of the Company ("**Auditors**") in place of the outgoing Auditors, Ernst & Young LLP ("**EY**") in respect of the financial year ending 31 March 2022 ("**Proposed Change of Auditors**").
2. The Company's existing auditors, EY, was re-appointed as auditors of the Company ("**Auditors**") at the last annual general meeting of the Company held on 31 August 2021, to hold office until the conclusion of the next annual general meeting of the Company. As part of the Company's efforts to manage its overall business costs and expenses amidst the challenging business climate and given the Group's current financial position, the Board is of the view that it would be timely to effect a change of the auditors and realise cost efficiencies. In light of this, the Company's management had sought proposals from several reputable audit firms.
3. Following an evaluation of the fee proposal of FKT, the Board, in consultation with the Audit and Risk Committee of the Company ("**Audit and Risk Committee**"), would like to propose that FKT be appointed to act as the new auditors in place of EY and is of the view that the appointment of FKT as new auditors would be in the best interests of the Company as it will result in cost savings for the Company from the lower audit fees. However, the Audit and Risk Committee has assessed and does not expect the reduction in cost to affect the quality and scope of the audit to be undertaken by FKT.
4. The Audit and Risk Committee and the Board have considered and are satisfied that FKT will be able to meet the audit requirements of the Group, having regard to the Audit Quality Indicators listed in the Audit Quality Indicators Disclosure Framework issued by Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**"), including the adequacy of the resources and experience of FKT and the audit engagement partner assigned to the audit, the other audit engagements of FKT, the size and complexity of the Group, and the number and experience of the supervisory and professional staff who will be assigned to the audit of the financial statements of the Group, as well as FKT's proposed audit arrangements for the Group.
5. EY has given notice to the Board of their resignation as Auditors on 11 February 2022 following the receipt of consent to resign as the Auditors from ACRA on 8 February 2022. FKT has given their consent to be appointed as new Auditors on 4 February 2022, subject to the approval of the shareholders of the Company ("**Shareholders**") at the extraordinary general meeting ("**EGM**") to be held in due course. The withdrawal of EY to act as Auditors took effect on 8 February 2022 and the appointment of FKT as new Auditors will take effect upon and subject to obtaining the approval of the Shareholders at the EGM.
6. Pursuant to Rule 712(3) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**"), the appointment of FKT as new Auditors must be specifically approved by Shareholders at a general meeting. The appointment of FKT would therefore take effect upon approval of the same by Shareholders at the EGM and, if appointed, FKT will hold office until the conclusion of the next AGM.

7. The Directors would like to highlight that the Proposed Change of Auditors is in no way the result of any disagreement between the Company and EY. The Board wishes to express their appreciation for the past services rendered by EY.
8. In accordance with Rule 712(3) of the Catalist Rules:
 - (a) EY, has confirmed to FKT, by way of its letter dated 21 February 2022, that they are not aware of any professional reasons why FKT should not accept appointment as Auditors;
 - (b) the Company confirms that there were no disagreements with EY on the Company's FY2021 audited financial statements and/or accounting treatments within the last twelve (12) months up to the date of this announcement;
 - (c) the Company confirms that it is not aware of any circumstances connection with the Proposed Change of Auditors that should be brought to the attention of the Shareholders, which has not been disclosed in this announcement;
 - (d) the specific reasons for the Proposed Change of Auditors are disclosed in paragraph 2 of this announcement. The Proposed Change of Auditors is neither due to audit opinion or search for a favourable opinion, the dismissal of EY nor EY declining to stand for re-appointment, but solely cost considerations; and
 - (e) the Company confirms that it is in compliance with Rules 712 and Rule 715 of the Catalist Rules in relation to the appointment of FKT as the Auditors.

A circular to Shareholders in relation to, *inter alia*, the Proposed Change of Auditors, together with the notice of EGM, will be despatched in due course.

BY ORDER OF THE BOARD

Tan Boon Kheng
Managing Director
23 February 2022

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance 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 document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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