



HIAP TONG CORPORATION LTD

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PROPOSED CHANGE OF AUDITORS

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Hiap Tong Corporation (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the Company’s intention to undertake a change of auditors of the Company from KPMG LLP (“**KPMG**”) to RSM Chio Lim LLP (“**RSM**”) to audit the financial statements of the Company and the Group for the current financial year ending 31 March 2022 (“**Proposed Change of Auditors**”).

The Company’s current auditors, KPMG, have served as Auditors of the Company since 30 April 2008 and was re-appointed as the Company’s Auditors at the last AGM held on 29 July 2021, to hold office until the conclusion of the next AGM of the Company. The Company is proposing to appoint RSM to replace KPMG as the Auditors for the Company and the Group with effect for the financial year ending 31 March 2022 (“**FY2022**”). As part of the Group’s good 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 an opportune time to review the appointment of auditors which would enable the Company to benefit from fresh perspectives and views of another professional audit firm, thus enhancing the value of the audit.

Following an evaluation of several proposals from other audit firms and consideration of the factors listed in Section 2.4 below, the Audit Committee has determined that RSM is best suited to meet the existing needs and audit requirements of the Group. The Audit Committee having considered, *amongst others*, the Audit Quality Indicators Disclosure Framework issued by ACRA, including the adequacy of the resources and experience of RSM and the audit engagement partner assigned to the audit, other audit engagements of RSM, the Group’s audit requirements, the size and complexity of the Group and the number and experience of supervisory and professional staff to be assigned to the audit, is of the opinion that RSM is suitable to be appointed as Auditors of the Company. Accordingly, the Board has recommended the appointment of RSM as auditors of the Company in place of KPMG.

2. THE PROPOSED CHANGE OF AUDITORS

In connection with the above, the Company had on 30 November 2021 received a notice from KPMG informing the Company, *inter alia*, that KPMG had applied to ACRA to seek its consent to resign as Auditors. The Company had been notified by KPMG that it had on 27 December 2021 received ACRA’s consent to resign as Auditors and KPMG had accordingly provided the Company with its notice of resignation dated 27 December 2021.

RSM has given its consent to act as Auditors by way of a letter dated 10 December 2021, subject to its appointment being approved by the Shareholders at the Extraordinary General Meeting (“EGM”).

The resignation of KPMG and the appointment of RSM will be effective upon the approval of Shareholders being obtained at the EGM. Upon the appointment, RSM will hold office until the conclusion of the next AGM of the Company. The Directors would like to highlight that the Proposed Change of Auditors is in no way the result of any disagreement.

3. EXTRAORDINARY GENERAL MEETING

Pursuant to Rule 712(3) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**Catalist Rules**”) and Section 205AF of the Companies Act, the Proposed

Change of Auditors must be approved by Shareholders at an EGM to be held. Accordingly, the Company will be convening an EGM to seek Shareholders' approval for the Proposed Change of Auditors. The appointment of RSM as new auditors of the Company, would take effect upon approval of the same by Shareholders at the EGM. If appointed, RSM will hold office until the conclusion of the next AGM of the Company.

4. COMPLIANCE WITH RULES 712 AND 715 OF THE CATALIST RULES

In accordance with the requirements of Rules 712(3) and 715 of the Catalist Rules:

- (i) KPMG has confirmed by way of a letter dated 8 December 2021 that it is not aware of any professional reasons why RSM should not accept appointment as Auditors (the "**Professional Clearance Letter**");
- (ii) the Company confirms that there were no disagreements with KPMG on accounting treatments within the last twelve (12) months from the date of their resignation, being 27 December 2021;
- (iii) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this Circular;
- (iv) the Company confirms that the specific reasons for the Proposed Change of Auditors are disclosed in the circular to shareholders. The Proposed Change of Auditors is neither due to the dismissal of KPMG nor KPMG declining to stand for election; and
- (v) the Company confirms that it complies with Rules 712 and 715 of the Catalist Rules in relation to the proposed appointment of RSM as Auditors.

The Board wishes to express their appreciation for the services rendered by KPMG in the past.

A circular to shareholders of the Company together with a notice of the EGM will be published in due course.

By Order of the Board

Lo Swee Oi
Company Secretary
Date: 28 December 2021

*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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