



Registration No. 200100075E
(Incorporated in Singapore)

PROPOSED CHANGE OF AUDITORS FROM UHY LEE SENG CHAN & CO TO GRANT THORNTON AUDIT LLP

1. Introduction

The Board of Directors (the "**Board**") of Koyo International Limited (the "**Company**" and together with its subsidiaries, collectively known as the "**Group**") wishes to announce the Company's intention to change its auditors ("**Auditors**") from UHY Lee Seng Chan & Co ("**UHYLSC**") to Grant Thornton Audit LLP ("**Grant Thornton**") (the "**Proposed Change of Auditors**").

2. Background and rationale

UHYLSC has served as Auditors of the Group since the financial year ended 31 December 2020 and was re-appointed as Auditors at the last annual general meeting ("**AGM**") held on 25 April 2024, to hold office until the conclusion of the next AGM of the Company.

The Board, in consultation with the Audit Committee ("**AC**") of the Company, is of the view as a best practise to ensure good corporate governance, it would be appropriate to periodically rotate the Group's Auditors. The Board believes that the Proposed Change of Auditors would enable the Company to benefit from fresh perspectives and the views of another professional audit firm to further enhance the value of the audit, while maintaining the quality and scope of audit.

Following an evaluation of the proposals from various audit firms which have experience in auditing public listed companies in Singapore, the Board, in consultation with the AC, and taking into consideration the requirement of Rule 712 and Rule 715 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"), has determined that Grant Thornton is best suited to meet the existing needs and audit requirements of the Group. The AC has considered, amongst others, the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**"), the adequacy of resources and experience of Grant Thornton and the audit engagement partner assigned to the audit, the other audit engagements of Grant Thornton, the Group's audit requirements, the size and complexity of the Group and the number and experience of supervisory and professional staff of Grant Thornton to be assigned to the audit, the fee structure and audit arrangements proposed by Grant Thornton, are of the opinion that Grant Thornton will be able to fulfil the audit requirements of the Company and the Group and uphold the quality and effectiveness required for the audit of the Company and the Group.

In connection with the above, UHYLSC had on 22 July 2024 applied to ACRA to seek ACRA's consent to resign as Auditors. On 19 August 2024, UHYLSC received ACRA's consent to resign and had subsequently provided the Company with its notice of resignation dated 19 August 2024. UHYLSC will also correspondingly resign as auditors of the Company's subsidiaries.

Grant Thornton has by way of a letter of 15 July 2024 given its consent to act as Auditors, subject to approval from Shareholders being obtained at an extraordinary general meeting ("**EGM**") for the Proposed Change of Auditors to be held in due course.

Pursuant to Rule 712(3) of the Catalist Rules and Section 205AF of the Companies Act, Chapter 50, the appointment of Grant Thornton as Auditors in place of UHYLSC must be specifically approved by Shareholders at a general meeting. The appointment of Grant Thornton would therefore take effect upon the approval of the same by Shareholders at the EGM and, if appointed, Grant Thornton will hold office until the conclusion of the next AGM of the Company.

The Directors wish to express their appreciation for the past services rendered by UHYLSC.

3. Requirements pursuant to Rule 712(3) of the Catalist Rules

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

- a) UHYLSC has confirmed to Grant Thornton, via its professional clearance letter dated 26 July 2024 that it is not aware of any professional reasons why Grant Thornton should not accept the appointment as Auditors of the Company, save for matters mentioned in the audited report of 2 subsidiaries which do not have a material impact on the Company's consolidated financial statements or the Group's financial position;
- b) the Company confirms that there were no disagreements with UHYLSC on accounting treatments within the last 12 months from the date of their resignation;
- c) 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 Shareholders;
- d) the Board confirms that there are no specific reasons for the Proposed Change of Auditors that ought to be brought to the attention of the Shareholders other than as disclosed in this announcement. The Proposed Change of Auditors are for the reasons stated above in this announcement and is neither due to the dismissal of UHYLSC nor due to UHYLSC declining to stand for election; and
- e) the Company confirms that it complies with Rules 712 and 715 of the Catalist Rules in relation to the appointment of Grant Thornton as its Auditors.

A circular containing further details of the Proposed Change of Auditors together with the notice of EGM and the proxy form will be available for the Shareholders on the SGX-ST's website at www.sgx.com/securities/company-announcements and at the Company's website at www.koyotech.com in due course.

By Order of the Board

Foo Suay Wei
Managing Director and Chief Executive Officer
20 August 2024

This announcement has been reviewed by the Company's sponsor.

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST 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.

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