



COLEX HOLDINGS LIMITED (Registration No. 197101485G)

PROPOSED CHANGE OF AUDITORS

The Board of Directors (the “**Board**”) of Colex Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the proposed change of auditors of the Company from Foo Kon Tan LLP (“**FKT**”) to PricewaterhouseCoopers LLP (“**PwC**”) (“**Proposed Change of Auditors**”) for the current financial year ending 31 December 2017 (“**FY2017**”).

The Company’s current auditors, FKT, has been the auditors of the Company for more than 10 years. FKT was re-appointed as auditors of the Company at the last annual general meeting of the Company (“**AGM**”) held on 18 April 2016 to hold office until the conclusion of the next AGM.

As part of ongoing good corporate governance initiatives, the Directors are of the view that it would be appropriate to periodically rotate the Auditors. The Board believes that a change of auditors may enable the Company to benefit from fresh perspectives of another professional audit firm and further enhance the value of the audit. As such, the Directors consider it timely to effect a change of auditors for the audit of the Company’s financial statements for FY2017. FKT, the retiring auditors, will accordingly not be seeking re-appointment at the forthcoming AGM.

PwC was selected for the proposed appointment after the Audit Committee invited and evaluated competitive proposals from various audit firms. The Audit Committee reviewed and deliberated on the proposals received from each of the audit firms, taking into consideration factors such as the fee proposals, the adequacy of the resources and experience of the audit firm to be selected, and the audit engagement partner to be assigned to the audit of the Group, the number and experience of supervisory and professional staff assigned to the audit of the Group, the other audit engagements of PwC, as well as the size and complexity of Group. After evaluation, the Audit Committee recommended that PwC be appointed as auditors of the Company in place of FKT for FY2017.

The Directors, having taken into account the Audit Committee’s recommendation, including the factors considered in their evaluation, are satisfied that PwC will be able to meet the audit requirements of the Company in compliance with Rule 712(1) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”) and have accepted the Audit Committee’s recommendation for the appointment of PwC as the auditors of the Company, subject to the approval of shareholders at the AGM.

PwC had given their written consent to be appointed as the new auditors of the Company, subject to approval of shareholders at the AGM. Upon the approval of shareholders being obtained at the AGM for the appointment of PwC, PwC will hold office until the conclusion of the next annual general meeting of the Company.

It is the intention of the Board, upon the recommendation of the Audit Committee, that subject to the approval of the shareholders being obtained for the Proposed Change of Auditors at the AGM, and following the appointment of PwC as the auditor of the Company, the auditors for the Company's Singapore-incorporated subsidiaries would be changed to PwC as well.

In accordance with Rule 712(3) of the Catalist Rules, the Company confirms that:

- (a) FKT has confirmed to PwC that it is not aware of any professional reason why PwC should not accept the appointment as Auditor;
- (b) there were no disagreements with FKT on accounting treatments within the last 12 months;
- (c) it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the shareholders;
- (d) the specific reasons for the Proposed Change of Auditors are as disclosed in Section 1.3 of Appendix 2 of the Company's Annual Report 2016; and
- (e) it is in compliance with Rule 712 and Rule 715 of the Catalist Rules in relation to the appointment of PwC.

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

A letter to shareholders of the Company containing further details of the Proposed Change of Auditors has been appended as Appendix 2 to the Company's Annual Report 2016 and which, together with the notice of the forthcoming AGM, will be dispatched to shareholders on 31 March 2017.

By Order of the Board

Foo Soon Soo
Company Secretary
30 March 2017

This announcement has been prepared by Colex Holdings Limited (the "Company") and its contents have been reviewed by the Company's sponsor, 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 assumes 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.

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