

## **PROPOSED CHANGE OF AUDITORS FROM KPMG LLP TO FOO KON TAN LLP**

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### **1. INTRODUCTION**

The board of directors (the “**Board**”) of MYP Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the Company’s intention to change its auditors from KPMG LLP (“**KPMG**”) to Foo Kon Tan LLP (“**FKT**”) for the current financial year ending 31 March 2022 (the “**Proposed Change of Auditors**”).

### **2. PROPOSED CHANGE OF AUDITORS**

- 2.1 KPMG has served as auditors of the Company since the financial year ended 31 March 2013 and was re-appointed as the Company’s auditors at the last annual general meeting of the Company (“**AGM**”) held on 7 September 2020, to hold office until the conclusion of the next AGM.
- 2.2 As part of 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 appropriate and timely to effect a change of auditors of the Company, subject to the approval of the Company’s shareholders (“**Shareholders**”) at an extraordinary general meeting of the Company (“**EGM**”) to be convened immediately after the conclusion of the forthcoming AGM for the financial year ended 31 March 2021. A change of auditors would also enable the Company to benefit from fresh perspectives and views of another professional audit firm, thus enhancing the value of the audit of the Group.
- 2.3 The Audit Committee of the Company (the “**Audit Committee**”), in reviewing and deliberating on the suitability of other audit firms, had evaluated proposals from other audit firms and taken into consideration the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore (“**ACRA**”) in ACRA’s Audit Quality Indicators Disclosure Framework, and various factors such as the adequacy of resources and experiences of the audit firm to be selected and the audit engagement partner to be assigned to the audit, the audit firm’s other engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff to be assigned. After evaluation, the Audit Committee recommended the appointment of FKT as auditors of the Company in place of KPMG. The quality and scope of audit services to be provided by FKT will be comparable to the services currently provided by KPMG. The change of auditors will allow the Group to save approximately 25% in audit fees based on the previous audit fees for the financial year ended 31 March 2021.
- 2.4 The Board has taken into account the Audit Committee’s recommendation, including the factors considered in their evaluation, and are satisfied that FKT will be able to meet the audit requirements of the Group. There will be no change to the scope of the audit to be undertaken with the Proposed Change of Auditors. The Board has therefore accepted the Audit Committee’s recommendation to appoint FKT in place of KPMG, subject to the approval of the Shareholders at the EGM.
- 2.5 In connection with the above:
- (a) the Company had on 16 June 2021 received a notice from KPMG informing the Company that KPMG does not wish to seek re-appointment as the Company’s auditors at the forthcoming AGM;

- (b) FKT had on 14 July 2021 given its written consent to be appointed as the Company's auditors; and
  - (c) the Board wishes to express their appreciation for the past services rendered by KPMG.
- 2.6 Pursuant to Rule 712(3) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), the appointment of FKT as the Company's new auditors must be specifically approved by the Shareholders at a general meeting. The appointment of FKT would therefore take effect upon the approval of the Shareholders at the EGM and, if appointed, FKT will hold office until the conclusion of the next AGM for the financial year ending 31 March 2022.
- 2.7 In accordance with the requirements of Rule 1203(5) of the Listing Manual:
- (a) the Company has received a copy of KPMG's professional clearance letter dated 13 July 2021 to FKT, confirming that KPMG is not aware of any professional reasons why FKT should not accept appointment as the Company's auditors;
  - (b) the Company confirms that there were no disagreements with KPMG on 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 connected 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 Company confirms that the specific reasons for the Proposed Change of Auditors are as disclosed above; and
  - (e) the Company confirms that it is or will be in compliance with Rules 712 and 715 of the Listing Manual in relation to the proposed appointment of FKT as the Company's auditors.

### **3. CIRCULAR TO SHAREHOLDERS**

A circular containing, *inter alia*, the notice of the EGM and the details of the Proposed Change of Auditors will be issued in due course.

BY ORDER OF THE BOARD  
**MYP LTD.**

Jonathan Tahir  
Executive Chairman and Chief Executive Officer  
15 July 2021