



HOR KEW CORPORATION LIMITED
(Reg. No. 199903415K)

PROPOSED CHANGE OF GROUP'S AUDITORS FROM BAKER TILLY TFW LLP TO MOORE STEPHENS LLP FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024

1. Introduction

The Board of Directors (the "**Board**") of Hor Kew Corporation Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce the Company's intention to change the Group's auditors ("**Auditors**") from Baker Tilly TFW LLP ("**Baker Tilly**") to Moore Stephens LLP ("**Moore Stephens**") (the "**Proposed Change of Auditors**") for the current financial year ending 31 December 2024 ("**FY2024**").

2. The Proposed Change of Auditors

Baker Tilly TFW LLP's ("**Baker Tilly**") audit engagement partner for the previous financial year ended 31 December 2023 was Mr Ng Wei Lun. Baker Tilly has served as the Auditors of the Group for sixteen (16) consecutive audits since the financial year ended 31 December 2008 and have last been re-appointed at the annual general meeting ("**AGM**") on 30 Apr 2024 to hold office until the conclusion of the next AGM. The Board and the Audit Committee are of the view that it is timely to effect the Proposed Change of Auditors for the following reasons:

- a) 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 an opportune time to review the appointment of the Auditors as the review would provide the Group with an opportunity to benchmark its audit fees and realise cost efficiencies;
- b) following an evaluation of the available proposals from various audit firms which have experience in auditing public listed companies in Singapore, the Board, in consultation with the Audit Committee, and taking into consideration the requirements of Rule 712 and Rule 715 of the Listing Manual, has determined that Moore Stephens is best suited to meet the existing needs and audit requirements of the Group. The Board and AC also evaluated Moore Stephens against the Audit Quality Indicators ("**AQIs**") Disclosure Framework issued by the Accounting and Corporate Regulatory Authority ("**ACRA**"), including comparison to industry averages and ranges. The AQIs, which correlate closely with audit quality, include time spent by audit team members, years of audit experience and industry specialisation, training hours, results of inspections, quality control, staff oversight and attrition rate. With the Proposed Change of Auditors, the Company expects to save S\$41,000 in audit fees for FY2024 with no change in the scope of the audit services, and the Company does not expect it to affect the standards and effectiveness of the audit to be undertaken;

- c) audit engagement partner of Moore Stephens, Mr Christopher Bruce Johnson, has more than 30 years of experience in the audit practice and has prior experience in auditing SGX-listed issuers and entities with similar industry and jurisdiction;
- d) the resources of Moore Stephens, its size and the engagement team based in Singapore, and the engagement team's composition, in terms of the number of partners, managers and staff, are sufficient to meet the Group's requirements;
- e) the Board and AC have reviewed Moore Stephens and are satisfied that they have a good track record, have not failed any recent inspections (including the Practice Monitoring Programme and Quality Control Reviews by ACRA) nor were subject to any current or past restrictions, disciplinary actions and/or conditions imposed by any regulatory authority or professional body;
- f) Moore Stephens will not be auditing the Company's only significant foreign incorporated subsidiary Prefab Technology Sdn Bhd, which shall continue to be audited by Tee & Partners, Malaysia. The Board and AC are satisfied that Mainboard Rule 715(2) has been complied with; and
- g) for the two Singapore-incorporated subsidiaries Prefab Technology 8 Pte Ltd and Park Vale Design & Development Pte Ltd that were not audited by Baker Tilly, the Company will likely continue to appoint the audit firm T S Choo & Co. The Board and AC are assured that this audit arrangement will not compromise the standard and effectiveness of the audit, as required under Mainboard Rule 716(1).

The Board has taken into account the Audit Committee's recommendation including the factors considered in their evaluation and accepted to appoint Moore Stephens as Auditors in place of Baker Tilly, subject to the approval of the shareholders at the extraordinary general meeting ("**EGM**") to be convened.

In connection with the above:

- a) Moore Stephens had, on 06 November 2024, given their written consent to act as Auditors of the Company and its subsidiaries, subject to the approval of shareholders at the EGM;
- b) Baker Tilly had, on 08 November 2024, applied to ACRA to seek its consent to resign as Auditors of the Company and its Singapore-incorporated subsidiaries;
- c) ACRA had, on 18 November 2024, consented to the resignation of Baker Tilly effective on 18 November 2024; and

- d) Baker Tilly subsequently, on 19 November 2024, provided the Company with its notice of resignation. A copy of the Notice of Resignation has been set out in 'Appendix 1'.

Pursuant to Section 205AB (5) of the Companies Act, the resignation of Baker Tilly took effect on 18 November 2024.

The Board would like to take this opportunity to express their appreciation for the past services rendered by Baker Tilly.

In accordance with the requirements of Rule 1203(5) of the Listing Manual:

- a) the outgoing Auditors, Baker Tilly, on 01 November 2024 via its professional clearance letter, has confirmed that it is not aware of any professional reasons why the new Auditors, Moore Stephens, should not accept appointment as Auditors of the Company;
- b) the Company confirms that there were no disagreements with the outgoing Auditors, Baker Tilly, on accounting treatments within the last twelve (12) months;
- 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 which has not been disclosed in this announcement;
- d) the Company confirms that the specific reasons for the Proposed Change of Auditors are disclosed in this Announcement. The Proposed Change of Auditors is neither due to any disagreement with Baker Tilly nor the dismissal of Baker Tilly; and
- e) the Company confirms that it is or will be in compliance with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of Moore Stephens as the Auditors of the Company.

3. Extraordinary General Meeting

The Company will make the necessary arrangements to convene the EGM to seek shareholders' approval for the Proposed Change of Auditors. A circular to shareholders containing, among others, further details on the Proposed Change of Auditors together with the notice of EGM, will be issued to shareholders in due course.

Hor Kew Corporation Limited

27 November 2024

APPENDEIX 1 – NOTICE OF RESIGNATION



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19 November 2024

Private & Confidential

The Board of Directors
Hor Kew Corporation Limited
66 Kallang Pudding Rd #07-01
Hor Kew Business Centre
Singapore 349324

Dear Sirs

RESIGNATION AS AUDITOR HOR KEW CORPORATION LIMITED AND ITS SUBSIDIARIES (THE "GROUP")

We refer to your letter dated 1 November 2024, and wish to confirm that we had submitted an application to the Accounting and Corporate Regulatory Authority ("ACRA") dated 8 November 2024 to resign as auditors of Hor Kew Corporation Limited, ("the Company") and the following subsidiaries of the Group for the financial year ending 31 December 2024:

- a) Prefab Technology 3 Pte Ltd
- b) Prefab Technology Pte Ltd
- c) Hor Kew Private Limited
- d) Hor Kew Land Pte Ltd
- e) Oxley Lights Pte Ltd
- f) Oxley Lights Development Pte Ltd

The application was approved by ACRA on 18 November 2024. We hereby give notice of our resignation as auditor of your Group with immediate effect and accordingly, we withdraw our consent to act.

The Company initiated this change of appointment due to inability to reach an agreement on the proposed audit fees for the financial year ending 31 December 2024.

We would like to take this opportunity to thank you for the past support and look forward to working with you again if our services are required in the future.

Yours faithfully

A handwritten signature in cursive script that reads "Baker Tilly".

Baker Tilly TFW LLP (trading as Baker Tilly) is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Baker Tilly TFW LLP (Registration No.T10LL1485G) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A).