

# SHS HOLDINGS LTD.

(Company Registration Number: 197502208Z)  
(Incorporated in the Republic of Singapore)

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## PROPOSED CHANGE OF AUDITORS

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### 1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or “**Directors**”) of SHS Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company intends to change its auditors (the “**Auditors**”) from Moore Stephens LLP (“**Moore Stephens**”) to Forvis Mazars LLP (the “**Incoming Auditors**”) (the “**Proposed Change of Auditors**”).
- 1.2 The Proposed Change of Auditors will be subject to the approval of the shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting (“**EGM**”) to be convened in due course.

### 2. PROPOSED CHANGE OF AUDITORS

- 2.1 Moore Stephens was first appointed as Auditors of the Group in 2012 and was last re-appointed at the annual general meeting held on 29 April 2024 to hold office until the conclusion of the next annual general meeting of the Company.
- 2.2 The audit fees of the Incoming Auditors for the scope of audit to be undertaken is comparable to the audit fees of Moore Stephens and the fee proposals of other audit firms which have experience in auditing public listed companies in Singapore. While there will not be any significant or meaningful audit fees savings, considering that Moore Stephens has served as the Auditors of the Group since 2012, the Board is of the view that as a matter of good corporate governance, it would be an appropriate time for change in the Auditors of the Group, and for the Group to appoint Auditors with no prior audit or business relationship with the Group. The Proposed Change of Auditors would enable the Group to benefit from fresh perspectives and views of another professional audit firm, thus enhancing the value of the audit of the Group.
- 2.3 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 of the Company (“**Audit Committee**”), and taking into consideration the requirements of Rule 712, Rule 715 and Rule 716 of the listing manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), as applicable, has determined that the Incoming Auditors are 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 the Accounting and Corporate Regulatory Authority of Singapore (“**ACRA**”), the adequacy of the resources and experience of the Incoming Auditors and the audit engagement partner assigned to the audit, other audit engagements of the Incoming Auditors, the Group’s audit requirements, the size and complexity of the Group and the number and experience of supervisory and professional staff of the Incoming Auditors to be assigned to the audit, the fee structure and audit arrangements proposed by the Incoming Auditors as well as the Incoming Auditors’ presence through its global network of firms, is of the opinion that the Incoming Auditors will be able to meet the audit requirements of the Group and is in a better position to serve the Group’s current foreign-incorporated subsidiaries and associated companies located across Asia Pacific and any other potential business growth of the Group.
- 2.4 The Board and the Audit Committee have reviewed and deliberated on the proposals received and have considered, among others:

- (a) the criteria for the evaluation and selection of external auditor contained in the Guidebook for Audit Committees in Singapore issued by the Work Group and the Audit Committee Guide issued by the Singapore Institute of Directors;
- (b) the Audit Quality Indicators Disclosure Framework issued by ACRA;
- (c) the “Guidance Note on Change of Auditors” issued by the SGX-ST on 19 June 2024 and the accompanying checklist contained therein with a list of criteria and factors to consider in the evaluation of incoming auditors;
- (d) other audit engagements of the audit firm to be selected;
- (e) the audit approach, transition plan, the Group’s audit requirements, and estimated audit completion timeline for financial year ended 31 December 2024;
- (f) both the Incoming Auditors and the audit engagement partner are registered with ACRA;
- (g) the adequacy of the resources and experience of the audit firm to be selected and the audit engagement partner to be assigned to the respective audit of the Company and the Group, and that the proposed audit engagement partner has been subjected to ACRA’s Practice Monitoring Programme Review in 2018 and attained a satisfactory outcome;
- (h) the Incoming Auditors’ presence through its global network of firms and its ability to serve the Group’s current foreign-incorporated subsidiaries and associated companies located across Asia Pacific and any other potential business growth of the Group; and
- (i) the overall audit fees proposal.

2.5 Following Shareholders’ approval of the Proposed Change of Auditors, the Incoming Auditors will be the Auditors of the Company and the Company’s subsidiaries incorporated in Singapore. Other member firms of the Incoming Auditors’ global network will be the Auditors of Guangxi Xiangtong Technology Co., Ltd., a subsidiary incorporated in China. There will be no change to the Auditors of the following subsidiaries and associated companies and the Incoming Auditors will not be the Auditors for the following subsidiaries and associated companies due to minimal activities conducted:

- (a) Hetat Engineering & Construction Sdn. Bhd.;
- (b) Hetat (M) Sdn. Bhd.;
- (c) Speedlock Equipment Sdn. Bhd.;
- (d) TL Energy Joint Stock Company; and
- (e) PT Hua Sheng Energy.

2.6 Having reviewed the Proposed Change of Auditors, the Board, in consultation with the Audit Committee, recommends the appointment of the Incoming Auditors in place of Moore Stephens, after taking into account the suitability and independence of the Incoming Auditors to meet the audit requirements of the Group, the various factors set out above and compliance with the requirements of the Listing Manual, including Rules 712 and 715 of the Listing Manual.

2.7 Pursuant to Section 205AB(5) of the Companies Act 1967 of Singapore (the “**Companies Act**”), the resignation of Moore Stephens will take effect on the latest of (a) on the day (if any) specified by Moore Stephens in the notice of resignation, (b) on the day on which the ACRA notifies Moore Stephens and the Company of its consent to the resignation, or (c) on the day

(if any) fixed by ACRA. In this respect:

- (a) Moore Stephens had, on 24 October 2024, applied to ACRA to seek its consent to resign as Auditors;
- (b) ACRA had, on 4 December 2024, consented to the resignation of Moore Stephens and fixed Moore Stephens' resignation date on 4 December 2024 ("**ACRA Letter of Consent**"); and
- (c) Moore Stephens had, on 10 December 2024, provided its notice of resignation.

Pursuant to Section 205AB(5) of the Companies Act, the resignation of Moore Stephens as Auditors of the Group took effect on 4 December 2024.

- 2.8 Pursuant to Rule 712(3) of the Listing Manual and Section 205AF(1) of the Companies Act, the Proposed Change of Auditors must be specifically approved by Shareholders in a general meeting. As ACRA had issued its consent to Moore Stephens' resignation pursuant to the ACRA Letter of Consent, the appointment of the Incoming Auditors will be effective upon the approval of the Shareholders being obtained at the EGM. Upon such appointment, the Incoming Auditors will hold office until the conclusion of the next annual general meeting of the Company.
- 2.9 The Incoming Auditors had, on 1 November 2024, given its Written Consent to Act as Auditors and has not withdrawn its Written Consent to Act as Auditors, subject to the approval of Shareholders at the EGM for the Proposed Change of Auditors.
- 2.10 In accordance with the requirements of Rule 1203(5) of the Listing Manual:
- (a) Moore Stephens has confirmed to the Incoming Auditors, via its professional clearance letter, that it is not aware of any professional reasons why the Incoming Auditors should not accept the appointment as Auditors of the Company;
  - (b) the Company confirms that there were no disagreements with Moore Stephens on accounting treatments within the last 12 months up to the latest practicable date, being 7 January 2025;
  - (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 specific reasons for the Proposed Change of Auditors are disclosed in this announcement. The Proposed Change of Auditors is neither due to the disagreement with Moore Stephens, the dismissal of Moore Stephens, nor Moore Stephens declining to stand for election at the next annual general meeting; and
  - (e) the Company confirms that it complies with Rules 712, 715 and 716 of the Listing Manual, as applicable, in relation to the proposed appointment of the Incoming Auditors as its new Auditors.
- 2.11 The Board would like to highlight that the Proposed Change of Auditors is in no way the result of any disagreement. In addition, the Proposed Change of Auditors is neither due to the dismissal of Moore Stephens nor Moore Stephens declining to stand for election. The Board wishes to express their appreciation for the past services rendered by Moore Stephens.

### **3. CIRCULAR**

The Company will make the necessary arrangements to convene the EGM to seek Shareholders' approval for the Proposed Change of Auditors. A circular containing, *inter alia*, the notice of the EGM and the details of the Proposed Change of Auditors will be despatched

to the Shareholders in due course.

**By Order of the Board**  
**SHS HOLDINGS LTD.**

Ng Han Kok, Henry  
Executive Director and Group CEO  
8 January 2025