
PROPOSED CHANGE OF AUDITORS TO MAZARS LLP

The board of directors (the “**Board**”) of Choo Chiang Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the Company’s intention to change its auditors (“**Auditors**”) from Deloitte & Touche LLP (“**Deloitte**”) to Mazars LLP (“**Mazars**”) (the “**Proposed Change of Auditors**”) for the current financial year ending 31 December 2020.

Deloitte has served as Auditors of the Group since its listing on Catalist on 29 July 2015 and was re-appointed as Auditors at the last annual general meeting (“**AGM**”) held on 30 April 2020, to hold office until the conclusion of the next AGM of the Company.

As part of the Group’s ongoing efforts to manage 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. The proposed review would the Group an opportunity to benchmark its audit fees and realise cost efficiencies.

Following the review of the 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 (“**AC**”), and taking into consideration the requirements under Rules 712 and 715 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**Catalist Rules**”), has determined that Mazars is best suited to meet the existing needs and audit requirement of the Group. The AC has considered, *inter alia*, 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 Mazars and the audit engagement partner assigned to the audit, the other audit engagements of Mazar, the size and complexity of the Group, the number and experience of supervisory and professional staff of Mazars assigned to the audit, the fee structure and audit arrangements proposed by Mazars, are the opinion that Mazars will be able to meet the audit requirements of the Group.

The Proposed Change of Auditors will allow the Group to save approximately 16% in audit fees in comparison to the audit fees incurred by the Group for the financial year ended 31 December 2019. The quality and scope of the audit services to be provided by Mazars will be comparable to that currently provided by Deloitte.

In connection with the above, Deloitte had on 25 August 2020 applied to ACRA to seek ACRA’s consent to resign as Auditors. On 6 October 2020, Deloitte had received ACRA’s consent to resign as Auditors and Deloitte had subsequently provided the Company with its notice of resignation dated 6 October 2020.

Mazars has by way of a letter dated 6 October 2020 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 Mazars as Auditors in place of Deloitte must be specifically approved by Shareholders at a general meeting. The appointment of Mazars would therefore take effect upon the approval of the same by Shareholders at the EGM and, if appointed, Mazars will hold office until the conclusion of the next AGM of the Company.

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

- (a) Deloitte has confirmed by way of a letter to Mazars dated 6 October 2020 that it is not aware of any professional reasons why Mazars should not accept appointment as Auditors; and
- (b) the Company confirms that there were no disagreements with Deloitte on accounting treatments within the last twelve (12) months from the date of their resignation, being 6 October 2020;
- (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 disclosed above. The Proposed Change of Auditors is neither due to the dismissal of Deloitte nor Deloitte declining to stand for election; and
- (e) the Company confirms that it is in compliance with Rules 712 and 715 of the Catalyst Rules in relation to the appointment of Mazars as its new Auditors.

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

A circular containing further details of the proposed change of Auditors together with the notice of EGM will be dispatched to Shareholders in due course.

BY ORDER OF THE BOARD

Sharon Yeoh
Morland Fu
Company Secretaries
7 October 2020

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor and the SGX-ST assume 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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