

WONG FONG INDUSTRIES LIMITED
Company Registration No.: 201500186D
(Incorporated in the Republic of Singapore)

PROPOSED CHANGE OF AUDITORS FROM DELOITTE & TOUCHE LLP TO BDO LLP

The board of directors (the “**Board**”) of Wong Fong Industries Limited (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 BDO LLP (“**BDO**”) (the “**Proposed Change of Auditors**”). The Proposed Change of Auditors will be subject to the approval of shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting (“**EGM**”) to be convened in due course.

Deloitte had been the external auditors of the Group since their appointment on 22 May 2015. Deloitte is also the external auditors of the Group’s Singapore-incorporated subsidiaries and associated companies namely Wong Fong Engineering Works (1988) Pte. Ltd., Wong Fong Academy Pte. Ltd., Ascendo Academy Pte. Ltd., Ascer Pte. Ltd, Educare Global Academy Pte. Ltd. and Academy Design of Arts and Media Pte. Ltd. (collectively, the “**Singapore-incorporate Subsidiaries and Associated Companies**”). At the last annual general meeting of the Company (“**AGM**”) held on 26 April 2024, Shareholders had approved the re-appointment of Deloitte as the Auditors until the conclusion of the next AGM for the financial year ending 31 December 2024 (“**FY2024**”).

In line with best practice, the Proposed Change of Auditors will provide the Group with valuable insights from a fresh professional perspective given that Deloitte had been the external auditors of the Group since 2015. In addition, as part of the Group’s ongoing efforts to manage its overall business costs and expenses amidst the challenging business climate, the Board conducted a cost rationalisation exercise and is of the view that the Proposed Change of Auditors should be a more time and cost-effective arrangement.

The Board has identified BDO as the new Auditors to audit the financial results of the Group for FY2024. In coming to its selection, the Board had consulted with the Audit Committee, which had obtained and reviewed several quotations from several audit firms and took into consideration, *inter alia*, the following:

- (a) 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**”);
- (b) the Audit Quality Indicators Disclosure Framework issued by the Accounting and Regulatory Authority (“**ACRA**”);
- (c) the criteria for the evaluation and selection of external auditors contained in the Guidebook for Audit Committees in Singapore and the Audit Committee Guide issued by the Singapore Institute of Directors;
- (d) the Group’s audit requirements;
- (e) the size and complexity of the Group’s operations;
- (f) the audit fee proposal;
- (g) the adequacy of resources and experience;
- (h) the experience of the audit engagement partner assigned to the audit;
- (i) the other audit engagements; and
- (j) the number and experience of the supervisory and professional staff assigned to the audit team.

The Audit Committee, having interviewed BDO, recommended to the Board that BDO be selected as the new Auditors in place of Deloitte.

Following the Proposed Change of Auditors, BDO will be the new Auditors of the Company and the Singapore-incorporated Subsidiaries and Associated Companies. In addition, there will not be any change in the scope of audit services to be performed by BDO. The Board and the Audit Committee confirm that they are satisfied that the Proposed Change of Auditors would not compromise the standard and effectiveness of the audit of the Company and the Group in accordance with Rules 715(1) and 716(1) of the Catalist Rules. For the avoidance of doubt, the Singapore-incorporated significant subsidiaries and significant associated company will be audited by BDO.

The Group's other Singapore-incorporated subsidiaries and associated companies namely, WFVEN Pte. Ltd., Interactive Apps Pte. Ltd., CE Asia Holdings Pte. Ltd., Wong Fong Pte. Ltd., 1Summit Global Pte. Ltd., Ascendo International Holdings Pte. Ltd., Ascendo Global International Pte. Ltd., Educare Human Capital Private Limited and Educare International Consultancy Pte. Ltd. (collectively, the "**Other Singapore-incorporated Subsidiaries and Associated Companies**") are not significant to the Group and will remain audited by Law Piang Woon & Co. as there are minimal activities being carried out by the Other Singapore-incorporated Subsidiaries and Associated Companies. The Board and the Audit Committee, having discussed with BDO and considered factors such as the adequacy of resources and experience of Law Piang Woon & Co. and its engagement director as well as the size and complexity of the Other Singapore-incorporated Subsidiaries and Associated Companies, are satisfied that such audit arrangement would not compromise the standard and effectiveness of the audit of the Company and the Group.

The Group's Malaysia subsidiary, CE Asia Heavy Machinery Sdn. Bhd. ("**CE Malaysia**") is also not significant to Group and will remain audited by Grant Thornton Malaysia PLT ("**Grant Thornton**") as there were no issues or difficulties encountered during the audit and Grant Thornton's fee proposal is competitive. The Board and the Audit Committee, having discussed with BDO and considered factors such as the adequacy of resources and experience of Grant Thornton and its engagement director as well as the size and complexity of CE Malaysia, are satisfied that such audit arrangement would not compromise the standard and effectiveness of the audit of the Company and the Group.

The Group's Myanmar subsidiary and associated company namely, Wong Fong Myanmar Company Limited and Wong Fong Company Ltd are also not significant to the Group and were not audited for consolidation purposes for the financial year ended 31 December 2023.

Pursuant to Section 205AB(1) of the Companies Act 1967 of Singapore ("**Companies Act**"), the resignation of Deloitte as the Auditors is subject to the consent of ACRA. Pursuant to Section 205AB(5) of the Companies Act, the resignation of Deloitte as the Auditors will take effect upon the latter of (a) the day (if any) specified by Deloitte in its notice of resignation; or (b) the day on which ACRA notifies Deloitte and the Company of its consent to such resignation; or (c) the day (if any) fixed by ACRA. Based on Deloitte's notice of resignation dated 7 June 2024, Deloitte has resigned as the Auditors on the same date following the consent of ACRA which was duly given on 7 June 2024. Based on the foregoing, the resignation of Deloitte as the Auditors has taken effect on 7 June 2024.

BDO had, on 28 May 2024, given their written consent to act as the Auditors, subject to the approval of Shareholders being obtained at the EGM to be convened. Pursuant to Rule 712(3) of the Catalist Rules and Section 205AF of the Companies Act, the Proposed Change of Auditors must be specifically approved by Shareholders in a general meeting. The circular containing further details of the Proposed Change of Auditors, together with the notice of EGM, will be issued to Shareholders in due course. If appointed, BDO will hold office until the conclusion of the next AGM.

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

- (a) the outgoing Auditors, Deloitte, via its professional clearance letter dated 28 May 2024, have confirmed that, it is not aware of any professional or other reasons why BDO should not accept appointment as the new Auditors of the Company;
- (b) the Company confirms that there were no disagreements with Deloitte on accounting treatments within the last 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 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 was neither due to any disagreement with Deloitte nor the dismissal of Deloitte; and
- (e) the Company confirms that it is in compliance with Rules 712, 715 and 716 of the Catalist Rules in relation to the proposed appointment of BDO as the new Auditors.

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

BY ORDER OF THE BOARD

Liew Ah Kuie
Co-Founder and Group Chief Executive Officer
10 June 2024

*This announcement has been prepared by the Company and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with Rules 226(2)(b) and 753(2) of the Catalist Rules.*

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes 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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