

CIRCULAR DATED 12 October 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the contents herein or the course of action you should take, you should consult your bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular, the notice of Extraordinary General Meeting and the attached proxy form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the capital of the Company by physical share certificate(s), you should immediately forward this Circular, the notice of Extraordinary General Meeting and the attached proxy form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been reviewed by the Company's Sponsor, SAC Capital Private Limited ("**Sponsor**"). This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr David Yeong (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.



CHOO CHIANG HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 201426379D)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

THE PROPOSED CHANGE OF AUDITORS FROM DELOITTE & TOUCHE LLP TO MAZARS LLP

Important Dates and Times:

Last date and time for lodgement of Proxy Form :	3 November 2020, 11.00 a.m.
Date and time of Extraordinary General Meeting :	5 November 2020, 11.00 a.m. by way of electronic means

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DEFINITIONS

In this Circular, the following definitions apply throughout except where the context otherwise requires:

"ACRA"	:	The Accounting and Corporate Regulatory Authority of Singapore
"AGM"	:	The Annual General Meeting of the Company
"Auditors"	:	The auditors of the Company as appointed from time to time
"Audit Committee"	:	The audit committee of the Company as at the date of this Circular
"Board"	:	The board of Directors of the Company as at the date of this Circular
"Catalist"	:	The sponsor-supervised listing platform of the SGX-ST
"Catalist Rules"	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Shareholders dated 12 October 2020
"Companies Act"	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"Company"	:	Choo Chiang Holdings Ltd.
"Constitution"	:	The constitution of the Company, as amended, modified or supplemented from time to time
"Deloitte"	:	Deloitte & Touche LLP
"Directors"	:	The directors of the Company as at the date of this Circular
"EGM"	:	The Extraordinary General Meeting of the Company to be convened and held on 5 November 2020 at 11.00 a.m.
"FY"	:	Financial year of the Company ended or ending 31 December (as the case may be)
"Group"	:	The Company and its subsidiaries
"Latest Practicable Date"	:	8 October 2020, being the latest practicable date prior to the printing of this Circular
"Live EGM Webcast"	:	The EGM to be held by way of electronic means on 5 November 2020 at 11.00 a.m.
"Mazars"	:	Mazars LLP
"Notice of EGM"	:	The notice of the EGM which is set out on pages 9 to 13 of this Circular
"Proposed Change of Auditors"	:	The proposed change of auditors of the Company from Deloitte to Mazars

"Proxy Form"	:	The proxy form in respect of the EGM set out in this Circular
"SFA"	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
"Shares"	:	Ordinary shares in the issued share capital of the Company
"Substantial Shareholder"	:	A person (including a corporation) who holds directly or indirectly 5% or more of the total voting Shares
"\$" and "cents"	:	Singapore dollars and cents respectively, being the lawful currency of the Republic of Singapore
"%" or "per cent."	:	Percentage or per centum

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the same meanings ascribed to them, respectively, in Section 81SF of the SFA or any statutory modification thereof, as the case may be.

The term "**subsidiary**" shall have the same meaning ascribed to it in Section 5 of the Companies Act. The term "**treasury shares**" shall have the same meaning ascribed to it in Section 4 of the Companies Act. The term "**subsidiary holdings**" is defined in the Catalist Rules to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, respectively, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

LETTER TO SHAREHOLDERS

CHOO CHIANG HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201426379D)

Directors

Mr Lim Teck Chuan, Thomas (*Executive Chairman and CEO*)
Mr Lim Teck Seng, Rocky (*Executive Director*)
Mr Lim Teck Chai, Danny (*Lead Independent Director*)
Mr Sho Kian Hin, Eric (*Independent Director*)
Mr Tan Soon Liang (*Independent Director*)

Registered Office

10 Woodlands Loop
Singapore 738388

12 October 2020

To: The Shareholders of Choo Chiang Holdings Ltd.

Dear Sir/ Madam,

THE PROPOSED CHANGE OF AUDITORS FROM DELOITTE & TOUCHE LLP TO MAZARS LLP

1. INTRODUCTION

The Board is proposing to convene an EGM to seek approval from Shareholders for the Proposed Change of Auditors.

The purpose of this Circular is to provide Shareholders with information relating to the Proposed Change of Auditors and the rationale thereof, and to seek Shareholders's approval at the forthcoming EGM to be held via a Live EGM Webcast on Thursday, 5 November 2020 at 11.00 a.m. The Notice of EGM is set out on page N-1 of this Circular.

The SGX-ST takes no responsibility for the accuracy or correctness of any statements or opinions made, reports contained in this Circular.

2. THE PROPOSED CHANGE OF AUDITORS

2.1 Background and Rationale for the Proposed Change of Auditors

The Company's existing Auditors, Deloitte, has served as Auditors of the Group since its listing on the Catalist on 29 July 2015 and has carried out 5 consecutive audits since FY2015. At the last annual general meeting of the Company held on 30 April 2020, Shareholders approved the re-appointment of Deloitte as the auditors of the Company until the conclusion of the next annual general meeting of the Company.

As part of 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 an opportunity to benchmark its audit fees and realise cost efficiencies.

Following an evaluation 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, and taking into consideration the requirements of Rule 712 and Rule 715 of the Catalist Rules, has determined that Mazars is 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 ACRA, the adequacy of the resources and experience of Mazars and the audit engagement partner assigned to the audit, other audit engagements of Mazars, the Group's audit requirements, the size and complexity of the Group and the number and experience of supervisory and professional staff of Mazars to be assigned to the audit, the fee structure and audit arrangements proposed by Mazars, is of the opinion that Mazars will be able to meeting 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 FY2019.

In view of the above, the Board is of the opinion that the Proposed Change of Auditors is in the best interests of the Company and the Shareholders because the quantum of professional fees for the audit services proposed by Mazars is more competitive in comparison to that charged by Deloitte, given a comparable scope of work and quality of audit provided.

In connection with the above, Deloitte had on 25 August 2020 applied to ACRA to seek its consent to resign as Auditors. On 6 October 2020, Deloitte received ACRA's consent to resign as Auditors and Deloitte had subsequently provided the Company with its notice of resignation dated 6 October 2020 ("**Written Statement**"). Pursuant to Section 205AC(1) of the Companies Act, a copy of the Written Statement is set out in the Appendix to this Circular.

Mazars has given its consent to act as Auditors by way of a letter dated 6 October 2020, subject to the approval of Shareholders being obtained at the EGM. Pursuant to Rule 712(3) of the Catalist Rules and Section 205AF of the Companies Act, 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. Upon the appointment, Mazars will hold office until the conclusion of the next AGM of the Company.

The Directors would like to highlight that the Proposed Change of Auditors is in no way the result of any disagreement. The Directors wish to express their appreciation for the past services rendered by Deloitte.

2.2 Information on Mazars

The information on Mazars provided below was provided to the Company by Mazars and their representatives. The Directors have not conducted an independent review or verification of the accuracy of the statements and information below.

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services. Operating in 91 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in the Mazars integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

Mazars in Singapore is an international audit and advisory firm committed to helping our clients confidently build and grow their businesses. With more than 245 professionals in Singapore, Mazars Singapore serve clients of all sizes across Asia-Pacific whilst remaining seamless and agile in our approach. Mazars takes pride in our technical expertise and the quality of our work, operating as one, integrated team. Mazars in Singapore is also a firm of Chartered Accountants registered with ACRA. The firm also works with clients of all sizes and providing range of services to businesses and individuals in a variety of industries. It has significant experience acting as auditors for companies listed on the SGX-ST. In addition, the firm also has credential in some of the non-listed retailers and distributors companies such as Parfums Christian Dior (Singapore) Pte. Ltd., MPH Distributors(S) Pte Ltd, Moet Hennessy Asia Pacific Pte Ltd, Schneider Electric Group, Essilor Group etc.

For more information about Mazars LLP, please visit its website at – www.mazars.sg .

For the audit of the Group, the audit engagement team will comprise at least the following professionals: one (1) engagement partner, one (1) engagement concurring partner, one (1) engagement manager, one (1) audit senior and two (2) audit associates. In addition, the audit of the Group will also be reviewed by an independent engagement quality control review partner.

2.3 Information on Audit Engagement Partner

The information on Mazars provided below was provided to the Company by Mazars and their representatives. The Directors have not conducted an independent review or verification of the accuracy of the statements and information below.

Mr Tan Chee Tyan will be the audit engagement partner assigned to the audit of the Company and its subsidiaries. Mr Tan Chee Tyan is a practising member of Institute of Singapore Chartered Accountants and a public accountant registered with ACRA.

Mr Tan Chee Tyan has over 25 years audit experience with public accounting firms in Singapore and Malaysia, working with publicly listed companies. His experience in listed companies, multinational corporations, and Small and Medium enterprises from various industries includes plantation, hospitality, oil and gas providing work-over rigs service, ship builder, furniture manufacturing, retail and distribution, manufacturing, construction, trading, investment holding and property development, electrical cabling, garment manufacturing, freight management. He also has experience in retailers and distributors companies such as Schneider Electric Group, Essilor Group, Milwaukee Electronic Pte. Ltd. and Haier Electronic.

Mr Tan Chee Tyan is currently the engagement partner of several Singapore listed and private companies with operations in various geographical locations including the People's Republic of China, Hong Kong, France, Singapore and Malaysia.

Mr Tan Chee Tyan was last selected by ACRA for Practise Monitoring Programme review in 2016 and received no adverse feedback.

2.4 Compliance with Rules 712 and 715 of the Catalist Rules

2.4.1 Requirement pursuant to Rule 712 of the Catalist Rules

The Audit Committee, after having reviewed and deliberated, and after taking into consideration the suitability and independence of Mazars in meeting the audit requirements of the Group, the various factors as set out in Sections 2.1, 2.2 and 2.3 of this Circular, has recommended the Proposed Change of Auditors for approval by the Board.

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

- (i) Deloitte has confirmed by way of a letter dated 6 October 2020 that it is not aware of any professional reasons why Mazars should not accept appointment as Auditors (the “**Professional Clearance Letter**”);
- (ii) the Company confirms that there were no disagreements with Deloitte on accounting treatments within the last twelve (12) months up to the date of their resignation, being 6 October 2020;
- (iii) 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 Circular;
- (iv) the Company confirms that the specific reasons for the Proposed Change of Auditors are disclosed in Section 2.1 above. The Proposed Change of Auditors is neither due to the dismissal of Deloitte nor Deloitte declining to stand for election; and
- (v) the Company confirms that it complies with Rules 712 and 715 of the Catalist Rules in relation to the proposed appointment of Mazars as Auditors.

2.4.2 Requirement pursuant to Rule 715 of the Catalist Rules

Following Shareholders’ approval of the Proposed Change of Auditors, Mazars will become the Auditors of the Company and its Singapore-incorporated subsidiaries. As at date of this Circular, the Company has no significant associated companies and foreign-incorporated subsidiary.

In view of the above, the Directors confirm that Rule 715 of the Catalist Rules is complied with.

3. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

The interests of the Directors and the Substantial Shareholders in the issued share capital of the Company, as recorded in the register of Directors’ shareholdings and the register of Substantial Shareholders of the Company respectively, as at the Latest Practicable Date, are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Mr Lim Teck Chuan, Thomas ⁽²⁾	-	-	131,040,000	63.02
Mr Lim Teck Seng, Rocky ⁽³⁾	14,560,000	7.00	260,000	0.13
Mr Lim Teck Chai, Danny	-	-	130,000	0.06
Substantial Shareholders				
TL Investment Holdings Pte. Ltd.	131,040,000	63.02	-	-

Note:

- (1) Based on the issued share capital of the Company of 207,938,700 Shares (excluding 61,300 treasury shares) as at the Latest Practicable Date.

- (2) Mr Lim Teck Chuan holds 100% of the issued share capital of TL Investment Holdings Pte. Ltd.. Accordingly, Mr Lim Teck Chuan is deemed to be interested in all the shares held by TL Investment Holdings Pte. Ltd. in the Company by virtue of Section 7 of the Companies Act, Chapter 50.
- (3) Mr Lim Teck Seng is deemed to be interested in the 260,000 shares held by his spouse, Tay Sok Cheng by virtue of Section 7 of the Singapore Companies Act, Chapter 50.

Save for their respective shareholding interests in the Company, none of the Directors and to the best of the Directors' knowledge, none of the Substantial Shareholders has any direct or indirect interest in the Proposed Change of Auditors.

4. AUDIT COMMITTEE'S RECOMMENDATION

The Audit Committee has reviewed the Proposed Change of Auditors and recommended the appointment of Mazars as Auditors in place of Deloitte, after taking into account the suitability and independence of Mazars to meet the audit requirements of the Group, the various factors set out in Section 2 of this Circular and compliance with the requirements of the Catalist Rules.

5. DIRECTORS' RECOMMENDATION

After having considered the rationale and the information relating to the Proposed Change of Auditors, the Directors are of the opinion that the Proposed Change of Auditors is in the best interests of the Company, and accordingly, recommend that Shareholders vote in favour of the Ordinary Resolution in respect of the Proposed Change of auditors as set out in the notice of EGM.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 9 of this Circular, will be held via a Live EGM Webcast on 5 November 2020 at 11.00 a.m. for the purpose of considering and, if thought fit, passing with or without modification the resolution set out in the Notice of EGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

7.1 No Physical Attendance at EGM.

Shareholders who wish to attend the EGM can only participate via the Live EGM Webcast. No physical attendance will be permitted.

7.2 Alternative Arrangements.

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM.

Shareholders should refer to the Notice of EGM set out on page N-1 of this Circular for further information, including the steps to be taken by Shareholders to participate at the EGM. Such announcement may also be accessed at the Company's website at the URL <https://ccm.sg/www/announcements.html> page, and SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

7.3 **When a Depositor is regarded as a Shareholder**

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register, as certified by CDP at least 72 hours before the time appointed for the EGM.

Shareholders and other investors are reminded to exercise caution when dealing in the Shares. In the event that Shareholders and other investors are in doubt about the actions they should take, they should consult their stockbrokers, bank managers, solicitors, accountants, tax adviser or other professional advisers.

8. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Change of Auditors and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

9. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection at the registered office of the Company at 10 Woodlands Loop Singapore 738388, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Company's Constitution;
- (b) the Professional Clearance Letter issued by Deloitte dated 6 October 2020;
- (c) the letter of consent to act as Auditors from Mazars dated 6 October 2020;
- (d) the notice of resignation from Deloitte dated 6 October 2020; and
- (e) the annual report of the Company for FY2019.

Yours faithfully

For and on behalf of the Board of Directors of
Choo Chiang Holdings Ltd.

Lim Teck Chuan, Thomas
Executive Chairman and Chief Executive Officer



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06 October 2020

Choo Chiang Holdings Ltd.
10 Woodlands Loop
Singapore 738388

Attention: Mr. Lim Teck Chuan

Dear Sir

**CHOO CHIANG HOLDINGS LTD.
CHOO CHIANG MARKETING PTE. LTD.
CHOO CHIANG PROJECT SOLUTIONS PTE. LTD.
CHOO CHIANG PROPERTIES PTE. LTD. (COLLECTIVELY THE "COMPANIES")
RESIGNATION AS AUDITORS**

We refer to your letter dated 19 August 2020.

We hereby give notice to resign as statutory auditors of the above Companies. Our resignation will take effect from 6 October 2020 pursuant to section 205AB of the Singapore Companies Act, Cap. 50.

Yours faithfully