

APPENDIX DATED 8 JANUARY 2025

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

If you are in doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of PNE Industries Ltd. (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Appendix to the purchaser or the transferee as arrangements will be made by the CDP for a separate Appendix to be sent to the purchaser or the transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately forward this Appendix with the Notice of Annual General Meeting and the accompanying Proxy Form immediately to the purchaser or to the transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Appendix 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 Appendix, including the correctness of any of the statements or opinions made, or reports contained in this Appendix.

This Appendix has been made available on SGXNet. A physical copy of this Appendix will not be dispatched to shareholders.



PNE INDUSTRIES LTD.
(Registration Number: 199905792R)
(Incorporated in the Republic of Singapore)

APPENDIX TO THE ANNUAL REPORT

in relation to

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

IMPORTANT DATES AND TIMES

- Last date and time for lodgement of Proxy Form : 20 January 2025 at 9.00 a.m.
- Date and time of Annual General Meeting : 23 January 2025 at 9.00 a.m.
- Place of Annual General Meeting : The Annual General Meeting will be held at Orchid Country Club, 1 Orchid Club Road, Sapphire 1, Orchid Lodge, Level 2, Singapore 769162

Contents

DEFINITIONS 3

1. INTRODUCTION 5

2. THE PROPOSED CHANGE OF AUDITORS 5

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS 9

4. AUDIT COMMITTEE'S RECOMMENDATION 10

6. ANNUAL GENERAL MEETING 10

7. ACTION TO BE TAKEN BY SHAREHOLDERS 10

8. DIRECTORS' RESPONSIBILITY STATEMENT 11

9. DOCUMENTS AVAILABLE FOR INSPECTION 11

ANNEX – NOTICE OF NOMINATION.....A-1

DEFINITIONS

For the purpose of this Appendix, the following definitions have, where appropriate, been used:

“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“AGM”	:	An annual general meeting of the Company
“Appendix”	:	This Appendix to Shareholders dated 8 January 2025
“Auditors”	:	The auditors of the Company as appointed from time to time
“Audit Committee”	:	The audit committee of the Company for the time being
“Board”	:	The board of directors of the Company for the time being
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	PNE Industries Ltd.
“Companies Act”	:	The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time
“Constitution”	:	The constitution of the Company as at the date of this Appendix
“Director”	:	A director of the Company for the time being
“FY”	:	Financial year of the Company ended or ending 30 September (as the case may be)
“FY2024 AGM”	:	The annual general meeting of the Company to be convened and held at Orchid Country Club, 1 Orchid Club Road, Sapphire 1, Orchid Lodge, Level 2, Singapore 769162 on 23 January 2025 at 9.00 a.m., the notice of which is enclosed in the Annual Report for FY2024
“Group”	:	The Company and its Subsidiaries
“Latest Practicable Date”	:	2 January 2025, being the latest practicable date prior to the issue of this Appendix
“Listing Manual”	:	The listing manual of the SGX-ST as amended, modified or supplemented from time to time
“Notice of Nomination”	:	Has the meaning ascribed to it in Section 2.3 of this Appendix
“Proposed Change of Auditors”	:	The proposed change of auditors of the Company from Deloitte & Touche LLP to Forvis Mazars LLP
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Securities Accounts”	:	The securities accounts maintained by Depositors with CDP, but

not including the securities accounts maintained with a Depository Agent

- "Shareholders"** : Registered holders of Shares except that where the registered holder is CDP, the term "Shareholders" in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
- "Shares"** : Issued and fully-paid ordinary shares in the capital of the Company
- "Subsidiaries"** : The subsidiaries of a company (as defined in Section 5 of the Companies Act) and "Subsidiary" shall be construed accordingly
- "Substantial Shareholder"** : A person who has an interest (directly or indirectly) in the Shares which is not less than five per cent (5%) of the issued shares in the capital of the Company
- "Treasury Shares"** : Shares purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate and held by the Company in accordance with Section 76H of the Companies Act
- "%" or "per cent"** : Per centum or percentage

The terms "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore.

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.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in this Appendix shall have the meaning assigned to it under the said Act.

Any reference to a time of a day or date in this Appendix is a reference to Singapore time and dates unless otherwise stated.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Appendix may not be an arithmetic aggregation of the figures that precede them.

Dentons Rodyk & Davidson LLP has been appointed as the legal adviser to the Company in relation to the drafting of this Appendix.

PNE INDUSTRIES LTD.
(Registration Number: 199905792R)
(Incorporated in the Republic of Singapore)

Directors

Mr Wong Tuck Seng	(Independent Chairman)
Mr Tan Koon Chwee	(Managing Director)
Mr Tan Kong Leong	(Executive Director)
Mr Lim Meng Wee	(Lead Independent Director)
Mr Tung Chee Weng	(Independent Director)
Mr Wang RenWei	(Independent Director)
Mr Tan Tee Ching	(Non-Independent and Non-Executive Director)

Registered Office

996 Bendemeer Road #07-06
Singapore 339944

8 January 2025

To: The Shareholders of PNE Industries Ltd.

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

Dear Shareholder

1. INTRODUCTION

The purpose of this Appendix is to provide Shareholders with the relevant information pertaining to, and to seek Shareholders' approval at the forthcoming FY2024 AGM to be held on 23 January 2025 for the Proposed Change of Auditors.

The Notice of AGM is enclosed in the Annual Report for FY2024.

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this Appendix.

2. THE PROPOSED CHANGE OF AUDITORS

2.1. Background and Rationale for the Proposed Change of Auditors

Deloitte & Touche LLP has served as the Auditors of the Group since the financial year ended 30 September 2000 and have last been re-appointed at the annual general meeting of the Company held on 18 January 2024 to hold office until the conclusion of the next AGM. Deloitte & Touche LLP has served as the auditors of the Group for 25 consecutive audits since the financial year ended 30 September 2000.

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) Considering that Deloitte & Touche LLP has served as the Auditors of the Group for 25 years, the Board is of the view that as a matter of good corporate governance, it would be an appropriate time for a 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.

- (b) 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 with an opportunity to benchmark its audit fees and realise cost efficiencies.
- (c) 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 Forvis Mazars LLP is best suited to meet the existing needs and audit requirements of the Group. With the Proposed Change of Auditors, the Company expects meaningful savings in audit fees for FY2025 with no change in the scope of the audit services, and the Company does not expect the reduction in cost to affect the standards and effectiveness of the audit to be undertaken.

The Board has identified Forvis Mazars LLP as the new Auditors to audit the financial results of the Group for FY2025. In coming to its selection, the Board had consulted with the Audit Committee, which had obtained and reviewed 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;
- (b) the Audit Quality Indicators Disclosure Framework issued by ACRA;
- (c) the track record of the audit firm including the outcome of any recent inspections including Practice Monitoring Programme and Audit Quality Control Reviews by ACRA;
- (d) 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;
- (e) the Group's audit requirements;
- (f) the size and complexity of the Group's operations;
- (g) the audit fee proposal;
- (h) the adequacy of resources and experience of the audit firm;
- (i) the experience of the audit engagement partner assigned to the audit, including years of practice and experience in auditing SGX-listed issuers and with similar industry to the Company;
- (j) the other audit engagements; and
- (k) the number and experience of the supervisory and professional staff assigned to the audit team.

Deloitte & Touche LLP will retire and not seek re-appointment at the Company's forthcoming FY2024 AGM.

Forvis Mazars LLP has given its written consent to act as the Auditors, subject to the approval of the Shareholders being obtained at the FY2024 AGM. Pursuant to Rule 712(3) of the Listing

Manual, the appointment of Forvis Mazars LLP as Auditors in place of Deloitte & Touche LLP must be specifically approved by Shareholders at a general meeting. The appointment of Forvis Mazars LLP would therefore take effect upon the approval of the same by the Shareholders at the FY2024 AGM. Upon the appointment, Forvis Mazars LLP will hold office until the conclusion of the next AGM of the Company.

The Board would like to highlight that the Proposed Change of Auditors is in no way the result of any disagreement with Deloitte & Touche LLP. The Board wishes to express their appreciation for the past services rendered by Deloitte & Touche LLP.

2.2. Information on Forvis Mazars LLP and the Audit Engagement Partner

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

About Forvis Mazars LLP

Forvis Mazars is a leading global professional services network operating under a single brand with just two members: Forvis Mazars, LLP in the United States and Forvis Mazars Group SC, an internationally integrated partnership operating in over 100 countries and territories with a combined team of 40,000+ professionals. Both members share a commitment to providing an unmatched client experience, delivering audit & assurance, tax, advisory and consulting services across the globe. Forvis Mazars in Singapore, part of the Forvis Mazars Group SC, empowers your business growth with unmatched expertise and commitment to excellence. Our diverse team of 30+ partners and directors lead a dynamic group of 400+ professionals, representing 10+ nationalities and fluent in 20+ languages, ensuring culturally relevant and globally connected solutions. Forvis Mazars delivers client experiences through comprehensive audit & assurance, tax, advisory, and consulting services, always upholding the highest standards of integrity, independence, accountability, and social responsibility. The teams with familiarity in multiple jurisdictions help international large corporations, mid-market companies, small and medium enterprises, start-ups, and public bodies to find solutions to meet their objectives. More information about Forvis Mazars can be found on Forvis Mazars' website at <https://www.forvismazars.com/sg/en>.

About the Audit Engagement Partner

Mr Wong Zi En ("**Mr Wong**") will be the audit engagement partner assigned to the audit of the Company and its subsidiaries. Mr Wong has over 15 years of experience in external audit, consolidation and financial reporting with several significant multinational clients. Mr Wong is a Chartered Accountant of the Institute of Singapore Chartered Accountants (ISCA) and Institute of Chartered Accountants in England and Wales (ICAEW).

Mr Wong has audit experience in Singapore, Malaysia and Hong Kong. For Singapore, he has audit experience with listed companies, i.e. Addvalue Technologies Ltd, Ossia International Limited and Livingstone Health Holdings Limited, multi-national corporations and privately owned businesses. He was also involved with Reporting Accountant engagements for the purpose of Initial Public Offering on the Catalist Board of the SGX-ST and successfully completed a reverse takeover. For Malaysia, he has audit experience with listed companies in the Main Market of Bursa Malaysia Securities Berhad, and was involved as reporting accountant in connection to rights issues of a listed company in the Main Market and also the Initial Public Offering (IPO) of a company on the ACE Market. For Hong Kong, he supported two clients' successful IPO on the Mainboard and Growth Enterprise Market (GEM Board) of the Stock Exchange of Hong Kong (HKSE). His industry experience includes start-up entities, shipbuilding, advertising, manufacturing

and distribution, trading, retail and construction. His international exposure includes Asia Pacific, UK and South Africa.

Mr Wong has been involved as lead engagement manager on listed companies' audit prior to his promotion to audit partner. He also assisted as the lead manager for various IPO projects on SGX.

2.3. Compliance with Rule 712 of the Listing Manual

Forvis Mazars LLP is an audit firm registered with ACRA and approved under the Accountants Act. The Board, having taken into account various factors, including the following:

- (a) the adequacy of the resources and experience of Forvis Mazars LLP;
- (b) the audit partner-in-charge assigned to the audit;
- (c) Forvis Mazars LLP's other audit engagements;
- (d) the size and complexity of the Group; and
- (e) the number and experience of the supervisory and professional staff who will be assigned to the audit of the Group,

is of the opinion that Forvis Mazars LLP will be able to meet the audit requirements of the Group and that Rule 712 of the Listing Manual has been complied with and will be complied with upon the Shareholders' approval for the Proposed Change of Auditors being obtained at the FY2024 AGM.

Pursuant to Section 205(11) of the Companies Act, a copy of the notice of nomination of the proposed new Auditors dated 20 November 2024 from a Shareholder ("**Notice of Nomination**"), Mr Tan Koon Chwee, is attached as the Annex to this Appendix. Mr Tan Koon Chwee holds approximately 11.25% shareholding interest in the Company and is involved in the management of the Company.

2.4. Compliance with Rule 715 of the Listing Manual

Following Shareholders' approval of the Proposed Change of Auditors, Forvis Mazars LLP will be the Auditors of the Company and the Company's Subsidiaries incorporated in Singapore. Other independent member firms of Forvis Mazars LLP will be the Auditors of the significant foreign-incorporated Subsidiaries. As at the date of this Appendix, the Company does not have any significant associated companies. Accordingly, the Board confirms that Rule 715 of the Listing Manual will be complied with.

2.5. Compliance with Rule 1203(5) of the Listing Manual

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

- (a) the Company had received a copy of the professional clearance letter from Deloitte & Touche LLP to Forvis Mazars LLP, confirming that they are not aware of any professional reasons why Forvis Mazars LLP should not accept appointment as the new Auditors of the Company;
- (b) the Company confirms that there were no disagreements with Deloitte & Touche LLP on accounting treatments within the last 12 months from the date of this Appendix;

- (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 Appendix;
- (d) the reasons for the Proposed Change of Auditors are disclosed in Section 2.1 of this Appendix above; and
- (e) the Board confirms that the Company is in compliance with Rules 712 and 715 of the Listing Manual in relation to the proposed appointment of Forvis Mazars LLP as its new Auditors, after taking into account the various factors in Section 2.3 and 2.4 of this Appendix above.

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:

The direct and deemed interests of the Directors and the substantial Shareholders of the Company in the Shares as at the Latest Practicable Date are as follows:

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
Wong Tuck Seng	-	-	-	-	-	-
Tan Koon Chwee	9,443,875	11.25	-	-	9,443,875	11.25
Tan Kong Leong	8,614,875	10.27	-	-	8,614,875	10.27
Lim Meng Wee	-	-	-	-	-	-
Tung Chee Weng	-	-	-	-	-	-
Wang RenWei	-	-	-	-	-	-
Tan Tee Ching	622,500	0.74	-	-	622,500	0.74
Substantial Shareholders (other than Directors)						
Tan Kong Heng	8,829,100	10.52	-	-	8,829,100	10.52
Tan Kong Sin	6,474,632	7.72	-	-	6,474,632	7.72
Estate of Tan Kwang Hua, deceased	6,384,375	7.61	-	-	6,384,375	7.61
Tan Kwong Soon or Teo Boon Lui	4,709,750 ⁽¹⁾	5.61	-	-	4,709,750	5.61
Tan Kwong Soon	-	-	4,709,750 ⁽¹⁾	5.61	4,709,750	5.61
Teo Boon Lui	-	-	4,709,750 ⁽¹⁾	5.61	4,709,750	5.61
Tan Wei Kang Eugene	4,596,750	5.48	-	-	4,596,750	5.48
Lam Kue Yen	4,314,500	5.14	-	-	4,314,500	5.14

Note:

- (1) The Shares are held by a joint CDP account of Tan Kwong Soon or Teo Boon Lui. Tan Kwong Soon is the spouse of Teo Boon Lui.

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 Forvis Mazars LLP as Auditors in place of Deloitte & Touche LLP, after taking into account the suitability and independence of Forvis Mazars LLP to meet the audit requirements of the Group, the various factors set out in Section 2 of this Appendix and compliance with the requirements of the Listing Manual.

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 5 in respect of the Proposed Change of Auditors as set out in the Notice of AGM.

6. ANNUAL GENERAL MEETING

The FY2024 AGM, notice of which is enclosed in the Annual Report for FY2024, will be held at Orchid Country Club, 1 Orchid Club Road, Sapphire 1, Orchid Lodge, Level 2, Singapore on 23 January 2025 at 9.00 a.m. for the purpose of considering and, if thought fit, passing, with or without any modifications, the ordinary resolutions set out in the Notice of AGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

The FY2024 AGM will be held at Orchid Country Club, 1 Orchid Club Road, Sapphire 1, Orchid Lodge, Level 2, Singapore on 23 January 2025 at 9.00 a.m.. There will be no option for Shareholders to participate virtually. Printed copies of this Appendix will NOT be mailed to Shareholders. Instead, Shareholders are to download from SGXNET and the Company's corporate website. Alternatively, Shareholders who wish to receive printed copies of this Appendix may complete the Request Form sent to them by post together with printed copies of the Notice of AGM no later than 15 January 2025.

Shareholders who wish to vote on the ordinary resolutions at the FY2024 AGM may vote or by appointing proxy(ies) or the Chairman of the FY2024 AGM as their proxy to do so on their behalf.

The proxy form must be submitted to the Company in the following manner:

- (a) if submitted electronically, be submitted via email to the Company at srs.proxy@boardroomlimited.com,
- (b) if submitted by post, be lodged at the registered office of the Company at 996 Bendemeer Road #07-06, Singapore 339944; or

in either case, by 9.00 a.m. on 20 January 2025 (being not less than 72 hours before the time fixed for holding the FY2024 AGM).

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

9. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, copies of the following documents may be inspected at the registered office of the Company at 996 Bendemeer Road #07-06, Singapore 339944 during normal business hours from the date of this Appendix up to and including the date of the FY2024 AGM:

- (a) the Constitution;
- (b) the annual report of the Company for the financial year ended 30 September 2024;
- (c) the professional clearance letter from Deloitte & Touche LLP;
- (d) the written consent to act from Forvis Mazars LLP; and
- (e) the Notice of Nomination.

Yours faithfully
For and on behalf of the Board of Directors of
PNE INDUSTRIES LTD.

Tan Koon Chwee
Managing Director

ANNEX

NOTICE OF NOMINATION

Date: 20 November 2024

PNE Industries Ltd.

996 Bendemeer Road #07-06
Singapore 339944

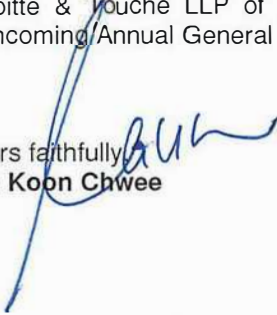
Attention: The Board of Directors

Dear Sirs

Notice of Nomination

Pursuant to the provisions of Section 205(11) of the Companies Act 1967 of Singapore, Tan Koon Chwee, in my capacity as a member/shareholder of PNE Industries Ltd. (the "**Company**"), hereby give notice of my nomination of Forvis Mazars LLP of 135 Cecil Street #10-01, 069536 Singapore, for its appointment as Auditors of the Company and its subsidiaries in place of the retiring Auditors, Deloitte & Touche LLP of 6 Shenton Way #33-00, Oue Downtown 2, 068809 Singapore at the forthcoming Annual General Meeting of the Company to be held on 23 January 2025.

Yours faithfully,
Tan Koon Chwee



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