



**HOTEL
GRAND CENTRAL LIMITED**

大中酒店有限公司

(Company No. 196800243H)

HOTEL GRAND CENTRAL LIMITED

RESPONSE TO SGX QUERY ON ANNUAL REPORT FY 2020

We refer to Hotel Grand Central Ltd's announcement of its Annual Report on 15 April 2021 for the financial period ended 31 December 2020.

SGX has raised the following question that require the Company to respond via an announcement on SGXNet:

SGX question:

"Listing Rule 210(5)(d)(iii), which will come into effect 1 January 2022, states that a director will not be independent if he has been a director for an aggregate period of more than 9 years (whether before or after listing) and his continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer of the issuer, and associates of such directors and chief executive officer ("two-tier vote"). In this regard, we note that Tan Kok Aun and Fang Swee Peng will each have served as an independent director on the Board for a period of more than 9 years come 1 January 2022. It is not clear from the Annual Report 2020 and the Notice of AGM whether Tan Kok Aun and Fang Swee Peng is being put up for the two-tier vote for their continued appointment as independent directors of the Company.

Please clarify and advise what will happen to the status of each of Tan Kok Aun's and Fang Swee Peng's directorship with effect from 1 January 2022. By order of the Board."

Response to the query:

Under Agenda 4 and 5 of the Notice of the Annual General Meeting (AGM) dated 15 April 2021, the Company submitted Mr. Fang Swee Peng and Mr. Tan Kok Aun for re-appointment as independent directors in view that they have been directors of the company for more than 9 years.

The Company acknowledges SGX's communication that under Rule 210(5)(d)(iii) of the SGX Listing Rules (Mainboard), for the continuance of these two directors as independent directors, their re-appointment should be sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer of the issuer, and associates of such directors and chief executive officer ("two-tier vote").

For all purposes and intent, the Company upholds the spirit of the new Rule 210(5)(d)(iii) that will come into effect on 1 January 2022 and demonstrated that by seeking the approval of its shareholders at this coming AGM for these two directors to continue in office. Accordingly, at this AGM, the directors and associates of such directors have submitted proxy forms with abstention from voting on the re-

appointment of Mr. Fang Swee Peng and Mr. Tan Kok Aun. In the spirit of the new Rule 201(5)(d)(iii) that will come into effect on 1 January 2022, with the abstention by the directors and their associates, the votes cast on the re-appointment of these two independent directors will in effect represent the votes of the shareholders.

The Company carefully observes Guideline 2.4 in the 2012 Code of Corporate Governance in view that Listing Rule 210(5)(d)(iii) will only come into effect on 1 January 2022. The Nominating Committee (NC) conducted vigorous review pertaining to the independence of these two directors, and the **Board**, having considered the NC's recommendation and weighing the need for the Board's refreshment against tenure and familiarity with the Group's business and operations, deems Fang Swee Peng and Tan Kok Aun as independent and agrees that their years of service have not compromised their independence or ability to discharge their duties as members to the Board and Board Committees and approved their continuance as independent director. The review process was explained in the Corporate Governance, under header, Annual Review of Board Independence - Board Independence.

The Company will ensure that it complies with requirements of the Listing Rule pertaining to any directors who hold office for a period of more than 9 years, ensuring that they will continue to be deemed independent come 1 January 2022; and to obtain the necessary "two-tier" approval for their continuance as appropriate. The Company will also ensure that Independent directors must comprise at least one-third of the issuer's board.

By order of the Board,
Hotel Grand Central Limited

Lim Bee Lian Eliza
Company Secretary
27 April 2021