



**HOTEL ROYAL LIMITED**  
(Incorporated in the Republic of Singapore)  
(Co. Reg. No. 196800298G)

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**RESPONSE TO QUERY FROM SGX-ST ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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The Board of Directors of Hotel Royal Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the queries raised by the SGX-ST in respect of the Company’s Annual Report for the financial year ended 31 December 2024 (the “**Annual Report**”) on 11 April 2025 and wish to respond as follows:

**SGX-ST’s Query 1:**

Listing Rule 710A(2) requires an issuer to describe its board diversity policy in its annual report, including the following:

- a) the issuer's targets to achieve diversity on its board;
- b) the issuer's accompanying plans and timelines for achieving the targets;
- c) the issuer's progress towards achieving the targets within the timelines; and
- d) a description of how the combination of skills, talents, experience and diversity of its directors serves the needs and plans of the issuer.

In Provision 2.4 of the Company’s Corporate Governance Report contained within its FY24 Annual Report, we note that the Company did not disclose its targets to achieve diversity on its board, the accompanying plans and timelines for achieving the targets, and its progress towards achieving the targets within the timelines. Please disclose accordingly.

**Company’s Response:**

The Company affirms its commitment to robust corporate governance, which includes a formal and comprehensive Board Diversity Policy, fully disclosed in the Annual Report in accordance with Rule 710A of the SGX-ST Listing Manual.

As detailed on page 100 of the Annual Report, the Company’s Board Diversity Policy emphasizes a holistic selection process that prioritizes qualifications, experience, and the ability to contribute effectively to the Board’s strategic objectives. While the Company does not currently set specific numerical targets for gender, age, ethnicity, or nationality, it ensures that its approach to diversity is consistent with the principles outlined in Rule 710A of the SGX-ST Listing Manual. This approach reflects the Company’s ongoing commitment to fostering an inclusive environment where directors from diverse backgrounds can thrive and contribute to the Company’s long-term success.

In line with best corporate governance practices, the Nominating Committee (“**NC**”) conducts an annual review of the Board's composition, evaluating the diversity of its members, as well as their collective skills, experience, and professional backgrounds. This review is guided by a matrix of criteria designed to assess Board diversity and ensure that the composition remains aligned with the Company’s evolving strategic goals. The review process considers the blend of

competencies, professional experience, and the requisite independence of each director, ensuring the Board can discharge its duties effectively.

The profiles of the Board members, as outlined on pages 12 and 13 of the Annual Report, further illustrate the diverse skills sets represented within the Board.

As part of its commitment to gender diversity, the Company appointed its first female director in September 2024, marking a significant step in diversifying the Board. While this appointment is recent, it demonstrates the Company's continued efforts to ensure a balanced and inclusive Board composition.

In terms of age diversity, the Board comprises directors aged between 45 and 73 years. The NC and the Board have reviewed the age composition and are confident that it aligns with the Company's diversity objectives. Moreover, the Board benefits from a broad range of skills and professional experiences, encompassing key areas such as accounting, finance, strategic planning, investment, and leadership, all of which are crucial for the Company's continued business success.

In alignment with the Code of Corporate Governance 2018, the Company's Board consists of seven (7) directors, three (3) of whom are independent, and all are non-executive directors. The NC and the Board are confident that this composition strikes an appropriate balance of independence and expertise necessary for sound governance.

While the Company does not set specific numerical targets at this time, it remains fully committed to promoting diversity in its Board composition and governance practices. The Nominating Committee will continue to assess the Board's composition to ensure it meets the Company's strategic needs and aligns with evolving regulatory standards.

The Company is confident that its Board Diversity Policy, as implemented and disclosed in the Annual Report, is fully in line with the requirements of Rule 710A of the SGX-ST Listing Manual. The policy underscores the Company's dedication to diversity, ensuring that the Board remains well-equipped to support the Company's strategic objectives and contribute to its long-term sustainable growth.

### **SGX-ST's Query 2:**

In addition to the Company's response to the above query to be released via SGXNET, we also note that the Company disclosed in Provision 2.1 of the Corporate Governance Report that it subjects the independence of directors who have served on the Board beyond nine years to particularly rigorous review. While we note that none of the Company's independent directors have served more than nine years, we would like to remind the Company that Listing Rule 210(d)(iv) does not allow a director of an issuer to be considered independent if he has been a director of an issuer for more than nine years. Please take note for future reference.

### **Company's Response:**

The Company acknowledges SGX-ST's reminder regarding Listing Rule 210(5)(d)(iv) and its applicability to the independence of directors who have served on the Board for more than nine years. We confirm that, as at 31 December 2024, none of our independent directors has served on the Board for more than nine years. The length of service of our independent directors ranges from 4 months to 6 years and 8 months. We continue to monitor the tenure of our independent directors in accordance with the relevant governance guidelines to ensure compliance with the Listing Rules.

We appreciate SGX-ST's guidance and will ensure that the independence of our directors is rigorously reviewed in line with Listing Rule 210(5)(d)(iv) and best practices of corporate governance.

By Order of the Board

Yang Wen-Wei  
Independent Non-Executive Chairman

15 April 2025