

## **I. INTRODUCTION**

- 1.1 We were instructed by the Nominating Committee of the Board of Directors (the “**NC**”) of Hong Lai Huat Group Limited (the “**Company**”) to conduct an independent fact-finding investigation into the circumstances surrounding Mr. Lai Seng Fatt’s (“**Mr. Lai**”) resignation as Chief Financial Officer (“**CFO**”) of the Company on 28 January 2026, which took effect on 3 February 2026, and the allegations that he had raised against the Company and Mr. Ong Jia Jing (“**Mr. Ong**”), the Company’s Executive Director.
- 1.2 The scope of our instructions is to review and advise the NC on, *inter alia*, whether there is any impropriety arising from or in connection with Mr. Lai’s cessation as CFO.

## **II. TERMS OF REFERENCE**

- 2.1 In preparing this report, we had reviewed, *inter alia*, the following documents:
- (1) Mr. Lai’s email to the Board on 27 January 2026;
  - (2) Mr. Lai’s resignation letter dated 28 January 2026;
  - (3) an email from Mr. Lai to the Board on 29 January 2026;
  - (4) an email from Mr. Ong to the Board on 30 January 2026;
  - (5) an email from Ms. Eros Ng to the Board on 30 January 2026;
  - (6) a HR Incident Report prepared by Ms. Eros Ng, and submitted to the Board on 30 January 2026;
  - (7) the email from Mr. Lai to the Board on 3 February 2026;
  - (8) an audio recording of the incident on 20 January 2026;
  - (9) Dato’ Dr Johnny Ong’s email response of 15 March 2026 to our list of questions.
- 1.3 We had also conducted interviews, both in-person and remotely, with the following individuals:
- (1) Mr. Lai Seng Fatt on 25 February 2026;

- (2) Mr. Ong Jia Jing on 27 February 2026;
- (3) Ms. Hii Yin Yin on 26 February 2026; and
- (4) Ms. Cheryl Ong on 5 March 2026.

1.4 We also reached out to Ms. Eros Ng, the former HR manager, and Mr. Thomas Chew, the Company's former Financial Controller, but they did not respond to our requests for an interview with them.

1.5 We had also sought a follow up interview with Mr. Lai. We wanted to ask him, amongst other things, about a further meeting that took place between Mr. Ong and him in the afternoon on 20 January 2026 which was not raised during the initial interview that we had with Mr. Lai. However, Mr. Lai declined to attend a further interview with us.

### III. EXECUTIVE SUMMARY

2.2 We are instructed that the background, *inter alia*, is as follows:

- (1) In the morning on 20 January 2026 (the "**Incident'**"), a heated verbal dispute occurred between Mr. Lai and Mr. Ong.
- (2) On 27 January 2026, Mr. Lai sent an email (the "**27 January Email'**") to the Group CEO and HR claiming, amongst other things, that he had "*not receive[d] any remedy from the Company, not even a formal apology*".
- (3) On 28 January 2026, Mr. Lai sent his resignation letter (the "**Resignation Letter'**") to the Group CEO, Dato' Dr Johnny Ong. In the Resignation Letter, Darren referred to the Incident and the 27 January Meeting claiming that "*it is no longer possible for me to carry out my duties properly in a distress working environment*".

2.3 Following our investigations, our key findings are as follows:

- (1) A further meeting had taken place between Mr. Ong and Mr. Lai in the afternoon on 20 January 2026, during which the parties had, for all intents and purposes, made peace over the Incident. The parties continued to work together professionally without incident until the 27 January Email.
- (2) the Incident was a one-off isolated personal dispute between Mr. Lai and Mr. Ong.

- (3) The Incident was, at most, a contributing factor to Mr. Lai's resignation.
- (4) There were other work-related incidents involving Mr. Lai but not Mr. Ong that occurred between 20 January 2026 to 27 January 2026, which most likely contributed to Mr. Lai's resignation.
- (5) Mr. Lai had resigned voluntarily, and there is no evidence of any constructive dismissal.
- (6) There was no impropriety, whether financial, regulatory or otherwise, arising from or in connection with Mr. Lai's cessation as CFO.

2.4 Notwithstanding the foregoing, we recommend that the Company implement policies in relation to resolving interpersonal disputes between employees and handling of grievances, if not already in place.

#### **IV. LIMITATIONS**

This summary ought not be quoted, referred or relied upon, in whole or in part, without our written permission, by any third party or for any other purposes. Further, our scope of work does not constitute an audit, review or any form of assurance. The observations in this summary are based on the information made available to us in the course of our work and reliance has been placed on the integrity, accuracy and completeness of the information provided to us.