

TAI SIN ELECTRIC LIMITED

(Company Registration No. 198000057W)

(Incorporated in the Republic of Singapore)

RESPONSE TO SGX QUERIES ON ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

The Board of Directors (the “**Board**”) of Tai Sin Electric Limited (“**Tai Sin**”) refer to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX**”) on 26 October 2020 relating to the Company’s Annual Report for the financial year ended 30 June 2020 (the “**Annual Report**”) and wish to provide the following information in response :-

SGX Query 1

Listing Rule 1207(10C) requires the Audit Committee’s comments on whether the internal audit function is independent, effective and adequately resourced. Please also provide information on whether the head of the internal audit function team has the relevant experience and qualifications. Where the internal audit function is outsourced, please provide information on the relevant experience of accounting firm and the engagement team.

Response from Company

As mentioned in pages 57 and 58 of the Annual Report, the Company’s internal audit function is outsourced to UHY Lee Seng Chan & Co (“**UHY-LSC**”).

UHY-LSC is a CPA firm established in 1967 and offering diversified business advisory services in Singapore and Malaysia (Johor Bahru and Kuala Lumpur). It is a member of UHY International, a leading network of independent accounting and consulting firms established in 1986, with offices in 330 major business centres across 100 countries. The firm has more than 15 years of experience in providing IA outsourcing services to listed companies and non-profit organizations.

The IA engagement team comprises the Engagement Partner, Engagement Manager, Engagement Team Leader and other team members. Credentials of the key engagement team members are as follows:

(a) Engagement Partner (Lee Sen Choon)

- Managing Partner and Group Executive Chairman of UHY-LSC.
- Sits on Boards of a few listed companies as Independent Director.
- Graduate of the Chartered Institute of Management Accountants, UK and holds a Post Graduate Diploma in Management Studies, UK. Chartered Accountant (Singapore) with Certificate for Practice with ISCA and Public Accountant registered with ACRA. Fellow Member of the Institute of Chartered Accountants in England and Wales (ICAEW). Member of The Institute of Internal Auditors (IIA).

(b) Engagement Manager (Cecilia Lim)

- Senior Internal Audit Manager of UHY-LSC.
- More than 20 years' experience in internal audit.
- Chartered Accountant (ISCA). Member of IIA.
- Currently involved in all aspects of UHY-LSC internal audit service which includes consulting and outsourcing engagements for audit clients.

(c) Engagement Team Leader (Jeslyn Wong)

- Internal Audit Assistant Manager of UHY-LSC.
- More than 10 years' experience in internal audit.
- Member of ISCA and IIA. Fellow Member of Association of Chartered Certified Accountants (ACCA).
- Experience in UHY-LSC include internal audit, external audit, special audit, financial due diligence engagement, agreed-upon-procedures audit, Corporate Governance review, Enterprise risk management (ERM) review and Assisted Compliance Assurance Programme (ACAP) review.

The Audit and Risk Committee has in its annual review concluded that the internal audit function is independent, effective and adequately resourced.

SGX Query 2

With reference to the "Staff / Director Securities Dealing Rules & Procedures" on page 54, please fully state the Company's Internal Code, in compliance with Listing Rule 1207(19).

Response from Company

The Company's Internal Code Governing Dealings in Securities complies with Listing Rule 1207(19) stipulating that:-

- (a) Officers of the Tai Sin Group should not deal in Tai Sin's securities on short term considerations; and
- (b) Tai Sin and its officers should not deal in the securities of Tai Sin during the period commencing one month before the announcement of its annual or half-year financial results, and ending on the date of announcement of the relevant results.

Prior to amendments to the quarterly reporting framework, quarterly reporting was adopted by the Company. The Company's Internal Code then applicable stipulated that Tai Sin and its officers should not deal in the securities of Tai Sin during the period commencing two weeks before the announcement of its financial results for each of the first three quarters of its financial year and one month before its financial year, and ending on the date of announcement of the relevant results.

The Company's Internal Code also reminds Officers of the Tai Sin Group that the law on insider dealing is applicable at all times, notwithstanding that the Internal Code may provide certain window periods for Tai Sin or its officers to deal in its securities.

BY ORDER OF THE BOARD

Mr. Tan Shou Chieh
Secretary

Singapore, 28 October 2020