



## HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)

Reg. No. 199905292D

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### RESPONSE TO THE SGX-ST'S QUERIES IN RESPECT OF THE ANNOUNCEMENT DATED 8 APRIL 2021

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The board of directors (the “**Board**”) of Hong Lai Huat Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to inform shareholders that it had received queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Queries**”) in relation to Company’s announcement dated 8 April 2021 in respect of the Company’s Annual Report for the financial year ended 31 December 2020 (“**FY2020**”). The Board wishes to respond to the Queries as follows:

#### Query 1

Rule 210(5)(c) of the SGX Listing Rules (Mainboard) requires independent directors to make up at least one-third of the Board. This rule will be come into effect on 1 January 2022. Prior to 1 January 2022, the corresponding Guideline 2.1 in the 2012 Code of Corporate Governance will continue to apply. As at 1 January 2022, will independent directors make up at least one-third of the Board?

#### Company’s Response

The Company will ensure that Rule 210(5)(c) of the SGX Listing Rules (Mainboard) will be complied with in that the independent directors will make up at least one-third of the Board as at 1 January 2022.

## **Query 2**

Listing Rule 720(6) requires that when a candidate is proposed to be appointed for the first time or re-elected to the board at a general meeting, the issuer shall provide the information relating to the candidate as set out in Appendix 7.4.1 in the notice of meeting, annual report or relevant circular distributed to shareholders prior to the general meeting. The issuer must announce the outcome of the shareholder vote in accordance with Rule 704(16). Please provide the information relating to the candidates as set out in Appendix 7.4.1 as required.

### **Company's Response**

Dr. Wang Kai Yuen, Mr. Lien We King, Prof. Wong Wen-Young and Mr. Ong Jia Jing are seeking re-election as Directors of the Company at the Annual General Meeting of the Company to be held on 30 April 2021 ("**AGM**").

The Company sets out the information in the format prescribed in Appendix 7.4.1 on page 10 to 16 in the notice of AGM, released via SGXNet on 8 April 2021.

## **Query 3**

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. Please provide the information as required.

### **Company's Response**

As explained on page 29 of our FY2020 Annual Report, the company has outsourced its internal audit function to external audit professional, Crowe Governance Sdn Bhd.

The internal audit functions were carried out in accordance with International Professional Practices Framework issued by The Institute of Internal Auditors Malaysia. Crowe Governance Sdn Bhd is a corporate member of the Institute of Internal Auditors Malaysia and a member firm of Crowe Global, a top 10 global accounting network with member firms in 130 countries. It has significant experience in providing risk consulting services, including internal audit.

The internal audit engagement partner is a chartered member of Malaysian Institute of Internal Auditors and has 24 years of experience in performing internal audits for listed companies in Malaysia and Singapore. The primary reporting line of the internal audit function is to the Audit Committee.

## **By Order of the Board**

Dato Dr. Ong Bee Huat  
Deputy Chairman & CEO  
26 April 2021