

## HL GLOBAL ENTERPRISES LIMITED

(Co. Reg. No. 196100131N)

(Incorporated in the Republic of Singapore)

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### RESPONSES TO QUERIES RAISED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED REGARDING THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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The Board of Directors (the "**Board**") of HL Global Enterprises Limited (the "**Company**") wishes to state the following in response to the queries raised by Singapore Exchange Securities Trading Limited ("**SGX-ST**") regarding the Company's Annual Report for the financial year ended 31 December ("**FY**") 2020 on 19 April 2021:

#### **SGX-ST Query No. 1:**

*Listing Rule 1207(10C) requires the Audit Committee's comments on whether the internal audit function is independent, effective and adequately resourced. We note that the Group's IA function is outsourced to Crowe Governance Sdn Bhd. Please provide information on the relevant experience of accounting firm and the engagement team. Please also provide the Audit Committee's views on whether the internal audit function is independent, effective and adequately resourced.*

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

As disclosed in the Company's Annual Report for FY 2020, the Audit and Risk Committee ("**ARC**") reviews the effectiveness and adequacy of the IA function through a review of the IA activities on a periodic basis. In reviewing the services of Crowe Governance Sdn Bhd ("**Crowe Governance**"), the ARC had reviewed the adequacy of the resources and the qualifications and experience of the professional staff assigned to the IA work for Copthorne Hotel Cameron Highlands. In FY 2020, the IA work was headed by Mr Amos Law Chih Chien, the Executive Director, Risk Advisory of Crowe Governance. Mr Law is a Certified Internal Auditor and Chartered Member of the Institute of Internal Auditors Malaysia and holds a Certification in Risk Management Assurance. He has many years of internal audit, information technology audit, risk management and corporate governance advisory experience that spans across various industries including, *inter alia*, hospitality and hotels. For the IA services provided to the Group, Mr Law was supported by two personnel from Crowe Governance, both of whom have the internal audit experience and qualifications. None of the personnel from Crowe Governance has any relationship or conflict of interest that could impair their objectivity and independence in conducting their internal audit function. Crowe Governance is part of Crowe Malaysia, the fifth largest accounting and consulting firm in Malaysia and is a corporate member of the Malaysian Institute of Internal Auditors. Crowe Governance has also confirmed that the provision of IA services was performed in accordance with the Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. The ARC also reviews the internal auditors' fees and their ability to deliver the IA services objectively and according to the IA plan approved by the ARC. The internal auditors have unfettered access to the ARC, the Board and Management. The ARC meets the internal auditors at least once annually without the presence of Management and the Company Secretaries.

For the financial year under review, the ARC is satisfied with the quality and effectiveness of the IA function performed by Crowe Governance and that the IA function is independent and is adequately resourced.

## SGX-ST Query No. 2:

Please clarify whether Dato' Gan Khai Choon had previously responded "Yes" to any of questions (a) to (k) under Appendix 7.4.1. If yes, please specifically disclose all details of such responses and provide the Nominating Committee's views in relation to those matters.

### Company's Response:

Dato' Gan Khai Choon had responded "Yes" to the following questions under Appendix 7.4.1 of the Listing Manual of SGX-ST, which was announced via SGXNET on 21 September 2007. Details of such responses are set out below:

*"Question (g) Whether you have ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?"*

*Dato' Gan Khai Choon was charged in Singapore in 1982, together with 4 others, being directors, for causing documents to be sent out offering for sale of shares in CCC (Holdings) Ltd., which documents being deemed to be prospectus did not comply with the requirements of the Singapore Companies Act. Pleaded guilty to the charge under the Singapore Companies Act and was fined S\$500."*

*"Question (h) Whether you have ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?"*

*Arising from the conviction stated in the response to question (g) above, Dato' Gan Khai Choon resigned from all directorships in companies incorporated in Singapore as necessitated by the Singapore Companies Act. The period of disqualification was 5 years after conviction in 1982. In 1983, upon an application made to the High Court of Singapore, he was permitted to be concerned in and take part in the management of certain companies listed in the said application."*

The period of disqualification of 5 years after the conviction of Dato' Gan Khai Choon in 1982 mentioned in the response to question (h) of the Appendix 7.4.1 of the Listing Manual of SGX-ST above, had expired since 1987 (the "**Past Disqualification**").

As disclosed on page 137 of the Company's Annual Report for FY 2020, in recommending the re-election of Dato' Gan as a Director of the Company, the Board reviewed the recommendation of the Nominating Committee ("**NC**") which took into account, *inter alia*, Dato' Gan's skills set, experience and contribution to the effectiveness of the Board, which included his participation and candour at Board and Board Committee meetings; and his time commitments.

The NC and the Board noted and concurred that the Past Disqualification would not affect the NC's and the Board's recommendation for the re-election of Dato' Gan Khai Choon as a Director of the Company.

BY ORDER OF THE BOARD

Foo Yang Hym  
Chief Financial Officer

20 April 2021  
Singapore