



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

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

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 Audit Committee’s comments on whether the internal audit function is independent, effective and adequately resourced.**

Company’s Response

The Audit Committee is of the view that the internal audit function is independent, effective and adequately resourced.

As disclosed on page 26 of our FY2020 Annual Report, the Audit Committee reviews the adequacy of the internal audit function, its effectiveness and its resources.

By Order of the Board

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