



Company Registration No. 197803023H
(Incorporated in Singapore)

Response to SGX Queries on the Company's Annual Report for the Financial Year Ended 31 December 2019

The Board of Directors of ABR Holdings Limited (the "Company") wishes to announce the following in response to the queries raised by Singapore Exchange Securities Trading Limited on 17 June 2020 ("SGX Query") in relation to the Company's annual report for the financial year ended 31 December 2019.

SGX Query 1:

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "**Code**"), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle:

- (a) We note that the Company had not complied with Provision 2.2 of the Code as Independent directors do not make up a majority of the Board where your Chairman is not independent, and there were no explanations were provided for in your FY2019 annual report on how it is consistent with the intent of Principle 2 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

- (b) We note that the Company had not complied with Provision 2.3 of the Code as non-executive directors do not make up a majority of your Board, and there were no explanations provided for in your FY2019 annual report on how it is consistent with the intent of Principle 2 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

Company's Response 1:

In relation to Provision 2.2 of the Code, the Company would like to explain that whilst the Independent Directors do not make up a majority of the Board where the Chairman is not independent, the current Independent Directors have demonstrated strong independence and character and are able to provide objective advice and insights to the Board and Management. They have discharged their obligations to act honestly and effectively in the best interests of the Company at all times. Although the independent directors are not in a majority, the Board has never failed to discuss important issues robustly and have always been able to reach well deliberated consensus on their decisions without having to rely on any majority votes nor having an individual or small group of individuals dominate the Board's decision-making process. All important and major decisions relating to the operations and Management of the Group made by the Executive Chairman and Executive Directors are reviewed by the Board. The Board is also satisfied that the Executive

Chairman has always acted manifestly in the best interest of shareholders as a whole and has striven to protect and enhance the long-term shareholders' value and the financial performance of the Group.

The Company recognises and embraces Board diversity as a constructive element in the achievement of business objectives and sustainable development. The Board had considered the background and core competencies of each member of the current Board. This includes backgrounds in finance, accounting, legal, business and industry knowledge. The Board had also assessed the background of the current independent directors, and is satisfied with their competence and commitment to meet the element of diversity which they bring to the Board. They are respected individuals from different backgrounds whose core competencies, qualifications, skills and experiences are extensive and complementary to the needs of the Company. In reviewing the composition of the Board, the NC had considered the benefits of diversity from beyond mere perfunctory considerations of gender, age, educational background, professional experience, skills and knowledge. The Board is of the conviction that the true value of its diversity is in having diverse perspectives and independent thought, where all directors are able to speak and participate freely and constructively in decision-making. Each director has been appointed on the strength of his calibre, experience and stature and has been able to bring a valuable range of experiences and expertise to contribute to the thought processes in the development of the Group's strategies and the performance of its business.

The size and composition of the Board is reviewed on an ongoing basis to facilitate effective decision making and to ensure alignment of the needs of the Group. The Board has also considered the current size, scope, nature of operations of the Group, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. This is, especially pertinent under an economic climate where cost considerations and agility of the Board in decision-making are more constructive and critical to the Company. The Board is of the view that the current size of the Board is appropriate to provide the balance without compromising the diversity of skills, experience and knowledge for effective decision making.

In relation to Provision 2.3 of the Code, please refer to the explanation above. Accordingly, whilst Non-Executive Directors do not presently make up majority of the Board, the fact remains that they present a sufficiently strong independent element on the Board to maintain appropriate checks and balances to avoid undue influence of the Management on the Board's decision making process. The Non-Executive Directors, who are also Independent Directors, chair the Board Committees, and are able to provide the appropriate level of independence and integrity to make decisions in the best interests of the Company.

For the reasons stated above, the Board believes that the existing practices adopted by the Company are consistent with the spirit and intent of Principle 2 of the Code. Nevertheless, the Board remains alive to the fact that Board composition is dynamic and not static and is open to change and adaptation whenever needed to improve materially the corporate governance and performance of the Company.

SGX Query 2:

Listing Rule 720(6) states 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)".

We note that the Directors Mr Chua Tiang Choon, Keith and Mr Leck Kim Seng will be seeking for a re-election at the forthcoming Annual General Meeting of the Company. Pursuant to Listing Rule 720(6), please provide the full information relating to the candidates 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, for directors standing for re-election.

Company's response 2:

The Company had disclosed the additional information on directors seeking re-election pursuant to Rule 720(6) of the Listing Manual read with Appendix 7.4.1 in page 42 to 46 of the Annual Report 2019 published and released on 14 April 2020 via SGXNET.

SGX 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 provide information on the relevant experience and qualifications of the Company's internal auditor Yang Lee & Associates.

Company's response 3:

The Audit Committee ("AC") is of the opinion that the internal audit function is independent, effective and adequately resourced, for the following reasons as stated on page 39 of the Annual Report 2019.

"The Internal Auditors ("IA") reports directly to the AC. An internal audit plan is submitted to the AC for approval prior to the commencement of the audit work and the IA plans its internal audit schedules in consultation with the Management.

The IA is guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors in carrying out the internal audit review. The AC ensures that the Management provides good support to the IA and provides it with access to documents, records, properties and personnel when requested in order for the IA to carry out its function accordingly. The IA also has unrestricted access to the AC on internal audit matters. The AC reviews and endorses the internal audit plan and internal audit reports of the Group. Any material non-compliance or failures in the internal controls and recommendations for improvements are reported to the AC. The AC will review the adequacy and effectiveness of the internal audit function annually."

As disclosed in page 39 of the Annual Report 2019, the Company has outsourced its internal audit function to Yang Lee & Associates ("YLA"). YLA, the outsourced internal auditor, is a professional service firm that specialises in the provision of Internal Audit, Enterprise Risk Management and Sustainability Reporting advisory services. The firm was set up in the year 2005 and currently maintains an outsourced internal audit portfolio of more than 25 SGX-ST listed companies in distribution, manufacturing, services, food & beverage, retail and property development industries.

The Engagement Team for this engagement comprises two Directors, a Manager, an Assistant Manager and supported by two Associates. Each of the two Directors has more than 20 years of relevant experience whilst the Manager has approximately 14 years of relevant experience. The team members of the Engagement Team are suitably qualified with relevant qualifications such as Certified Internal Auditor, Chartered Accountant and Practising Management Consultant.

SGX Query 4:

Please Confirm that all relationships amongst the board members are disclosed.

Company Response 4:

The Company had disclosed the relationships amongst the Board members in the announcement of full year financial statements for the year ended 31 December 2019 published and released on 26 February 2020 via SGXNET.

Please refer to Appendix A.

By Order of the Board

Chua Tiang Choon, Keith
Executive Chairman

19 June 2020

Appendix A

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Chua Tiang Choon, Keith	66	Brother of the Non-Executive Director and Substantial Shareholder, Mr Allan Chua Tiang Kwang. Brother of the Substantial Shareholder, Mr Chua Tiang Chuan.	Executive Chairman since 1 August 2004. Jointly responsible with the Managing Director, Mr Ang Yee Lim, to oversee ABR Group's overall business operations in the region, formulate long-term strategies and spearhead the Group's business expansion plans.	NIL
Ang Yee Lim	68	Uncle of the Executive Director, Mr Ang Lian Seng. Cousin of the Executive Director, Mr Leck Kim Seng.	Managing Director since 1 July 2004. Jointly responsible with the Executive Chairman, Mr Chua Tiang Choon, Keith, to oversee ABR Group's overall business operations in the region, formulate long-term strategies and spearhead the Group's business expansion plans.	NIL
Leck Kim Seng	65	Cousin of the Managing Director and Substantial Shareholder, Mr Ang Yee Lim. Uncle of the Executive Director, Mr Ang Lian Seng.	Executive Director since 20 March 2002. Overseeing the Company's operations.	NIL
Ang Lian Seng	55	Nephew of the Managing Director and Substantial Shareholder, Mr Ang Yee Lim. Nephew of the Executive Director, Mr Leck Kim Seng.	Executive Director since 4 May 2001. Overseeing the Company's operations.	NIL
Allan Chua Tiang Kwang	64	Brother of the Executive Chairman and Substantial Shareholder, Mr Chua Tiang Choon, Keith. Brother of the Substantial Shareholder, Mr Chua Tiang Chuan.	Non-Executive Director since 18 February 2002.	NIL
Leck Kim Song	62	Brother of the Executive Director, Mr Leck Kim Seng. Uncle of the Executive Director, Mr Ang Lian Seng. Cousin of the Managing Director and Substantial Shareholder, Mr Ang Yee Lim.	General Manager since 1 November 2005. Overseeing Lawry's Group of Companies' operations.	NIL
Teo Tong Loong	32	Son-in-law of the Executive Chairman and Substantial Shareholder, Mr Chua Tiang Choon, Keith. Nephew-in-law of the Non-Executive Director and Substantial Shareholder, Mr Allan Chua Tiang Kwang.	Group Business Development Director since 19 March 2019. Overseeing the branding and business development of the F&B Division for the Group.	NIL