



HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)

Reg. No. 199905292D

逢來發集團有限公司

RESPONSES TO SGX-ST QUERIES DATED 7 MAY 2024

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 has received queries from the Singapore Exchange Securities Trading Limited (“SGX-ST”) (the “Queries”) in relation to Company’s Appointment of its Internal Auditor Crowe Governance Sdn Bhd (“CGSB”). The Board wishes to respond to the Queries as follows:

NO	Query	Response																
1	<p>Please elaborate on the experience of CGSB in conducting internal audit for property and plantations business segments, as well as for companies in Cambodia. For avoidance of doubt, we have not requested for clients to be identified on a named basis and are only requesting for general description of CGSB’s prior experience and track record in the relevant business segments and jurisdictions as the Company.</p>	<p>CGSB has the relevant experience providing internal audit services to SGX-listed companies in various geographical locations, briefly tabled as below:-</p> <p><i>SGX-listed company types</i></p> <table border="1"> <thead> <tr> <th>Industry Type</th> <th>Geographical location of operations</th> </tr> </thead> <tbody> <tr> <td>Property Management / Real Estate</td> <td>Malaysia, Singapore</td> </tr> <tr> <td>Manufacturing</td> <td>Malaysia, China, Thailand</td> </tr> <tr> <td>Eye specialist</td> <td>Malaysia, Singapore</td> </tr> </tbody> </table> <p>In relation to property management / real estate and plantation segment, CGSB has the experience with Bursa-listed companies in the following geographical location of operations:-</p> <p><i>Bursa-listed company types</i></p> <table border="1"> <thead> <tr> <th>Industry Type</th> <th>Geographical location of operations</th> </tr> </thead> <tbody> <tr> <td>Property Management / Real Estate</td> <td>Malaysia</td> </tr> <tr> <td>Plantation</td> <td>Malaysia, Indonesia</td> </tr> <tr> <td>Manufacturing</td> <td>Malaysia, Indonesia, Vietnam, Philippines</td> </tr> </tbody> </table>	Industry Type	Geographical location of operations	Property Management / Real Estate	Malaysia, Singapore	Manufacturing	Malaysia, China, Thailand	Eye specialist	Malaysia, Singapore	Industry Type	Geographical location of operations	Property Management / Real Estate	Malaysia	Plantation	Malaysia, Indonesia	Manufacturing	Malaysia, Indonesia, Vietnam, Philippines
Industry Type	Geographical location of operations																	
Property Management / Real Estate	Malaysia, Singapore																	
Manufacturing	Malaysia, China, Thailand																	
Eye specialist	Malaysia, Singapore																	
Industry Type	Geographical location of operations																	
Property Management / Real Estate	Malaysia																	
Plantation	Malaysia, Indonesia																	
Manufacturing	Malaysia, Indonesia, Vietnam, Philippines																	
2	<p>To disclose the name of the relevant partner in charge of performing the internal audit of the Company and his relevant experience, accreditation with relevant professional bodies regulating the</p>	<p>CGSB is headed by Mr Amos Law, who has 28 years of working experience in internal audit, risk management and corporate governance advisory services. He possesses the following relevant professional qualifications / certifications:-</p> <ul style="list-style-type: none"> - Certified Internal Auditor (“CIA”) - IIA Accredited Internal Quality Assessor / Validator - Chartered Member of the Malaysian Institute of Internal Auditors (“CMIIA”) and - Certification in Risk Management Assurance (“CRMA”). <p>In relation to his track record for the relevant experience, please refer to point (1) and (3). Apart from the industries mentioned, Mr. Amos</p>																



HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)

Reg. No. 199905292D

逢
来
發
集
团
有
限
公
司

	standard of internal audit work performed, qualifications and track record in conducting internal audit for property and plantations business segments, as well as for companies in Cambodia	Law also has internal audit experience for Cambodia commercial banks and microfinance institutions.
3	As the Company had disclosed on Page 27 in the FY2023 Annual Report that, inter alia, “the AC also reviews the independence, adequacy of the internal audit function, its effectiveness and its resources”, please provide the AC’s assessment on the IA function that includes, amongst others, justifications for the continued appointment of CGSB as the Company’s IA, based on such reviews conducted.	<p>In addition to the independence and adequacy of the firm, the AC is of the opinion that CGSB is suitable to be the appointed IA for the Group based on the following key considerations: -</p> <ul style="list-style-type: none"> - IA track record and in-depth experience by CGSB for relevant listed entities in the respective exchanges and geographical locations, also taking into consideration similar industries and size of operations as the Company. - Extensive experience possessed by the lead IA partner and the team to perform IA for the Company. - Expertise and familiarity to the operations of the Group as well as thorough and comprehensive service to ensure IA reviews reached its relevant audit objectives and where required, recommendations is professionally communicated to Management is practical for implementation. - The personnel under CGSB are guided by the International Professional Practices Framework issued by The Institute of Internal Auditors and are free from any relationships / conflict of interest, supplemented by their firm Annual Independence Declaration Form and Employee Professional Conduct and Ethics Declaration as and when applicable.

By Order of the Board

Dato Dr Ong Bee Huat, PBM
Deputy Chairman and Group CEO
08 May 2024