

## RESPONSE TO SGX'S QUERIES ON ANNUAL REPORT 2020

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The Board of Directors (the “**Board**”) of BH Global Corporation Limited (the “**Company**”) wishes to announce the following response to queries received by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 18 April 2021 in relation to the Company’s Annual Report for the financial year ended 31 December 2020 (“**FY2020 Annual Report**”). The Company’s responses to the queries are as follows:

**1. SGX-ST Query**

Listing Rule 907 requires an issuer to disclose the aggregate value of interested person transactions entered into during the financial year under review in its annual report. The name of the interested person, nature of relationship and the corresponding aggregate value of the interested person transactions entered into with the same interested person must be presented in the prescribed format. Please provide the information as required.

**Company’s Response**

The Company has adopted an internal policy in respect of any transaction with interested person which set out the procedures for review and approval of such transactions.

All interested person transactions will be documented and submitted to the Audit Committee (“AC”) for their review to ensure that such transactions are carried out at arm’s length basis and on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

As disclosed on page 49 of the Annual Report, the Company has not entered into interested person transactions with aggregate value of more than S\$100,000 during FY2020 pursuant to Rule 907 of the Listing Manual of the SGX-ST.

**2. SGX-ST Query**

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:**

The Company outsources its internal audit function to Virtus Assure Pte Ltd (“Virtus Assure”), an independent assurance services consultancy that provides enterprise risk, control and governance assessments to exchange-listed companies.

Virtus Assure’s Managing Director is Mr. Joshua Siow, who has many years of audit and management experience in operations, business systems, information technology, finance and accounting with various companies around the globe. He has helped exchanges, depositories and listed firms to establish their internal audit function, develop their enterprise risk management framework, assess their risk/control environments, strengthen their systems of internal controls, and evaluate their internal audit performance. Mr. Siow is a member of Institute of Singapore Chartered Accountants (ISCA), Fellow Member of the

Association of Certified Chartered Accountants (FCCA) and Member of the Institute of Internal Auditors Inc (IIA).

The engagement team is led by an Audit Director, Mr. Alvin Tan, who has more than 10 years of audit and compliance experience. He is a Certified Internal Auditor (CIA) and Certified Risk Management Assurance (CRMA) professional with The Institute of Internal Auditors Inc (IIA). The Audit Director is assisted by a team of suitably qualified auditors.

The AC is satisfied that the appointed IA meets and has carried out its function according to the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The IA reports directly to the AC Chairman on audit matters, and to the Executive Chairman and Chief Executive Officer on administrative matters. The primary objective of the internal audit is to assure the AC and the Board of Directors that sound risk management processes and controls are in place and operating effectively.

Based on the above, the AC is satisfied that the internal audit function is adequately resourced and independent of the activities it audits and comprehensively covers the major activities within the Group.

### **3. SGX-ST Query**

Mr Johnny Lim Huay Hua and Ms Eileen Lim Chye Hoon are the siblings of Mr Vincent Lim Hui Eng and Mr Patrick Lim Hui Peng. Apart from Mr Johnny Lim and Ms Eileen Lim, there were no other immediate family members of the Executive Directors, the CEO or a substantial shareholder of the Company, except Mr Ken Hing Kah Wah who is the spouse of Ms Eileen Lim Chye Hoon employed by the Group whose respective remuneration exceed \$100,000 per annum during the year. Their remuneration was disclosed in bands wider than S\$100,000.

Provision 8.2 of the Code of Corporate Governance 2018 requires that the Company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. Please comply with or explain variations from the Provision.

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

The remuneration of substantial shareholders of the Company and immediate family members for the financial year ended 31 December 2020 are as follows :

Name	Salary	Bonus	Fees
<b>S\$200,000 to S\$299,999</b>			
Johnny Lim Huay Hua	90%	-	10%
Eileen Lim Chye Hoon	90%	-	10%
<b>S\$100,000 to S\$199,999</b>			
Ken Hing Kah Wah	96%	4%	-

#### **BY ORDER OF THE BOARD**

Vincent Lim Hui Eng  
Executive Chairman and Chief Executive Officer  
20 April 2021