



Response to Queries from the Singapore Exchange Securities Trading Limited (“SGX-ST”) on the Company’s Annual Report for the Financial Year Ended 31 December 2021

The Board of Directors (the "Board") of Bonvests Holdings Limited (the "Company") refers to the queries raised by the SGX-ST on 25 April 2022 and responds as follows:

1. We note that the Company had not complied with Provision 2.2 and 2.3 of the Code as Independent directors do not make up a majority of the Board where your Chairman is not independent and non-executive directors do not make up a majority of your Board, and there were no explanations were provided for in your AR2021 on how it is consistent with the intent of Principle 2 of the Code. We reference page 29 of AR2021 which discloses “The Board is of the view that there is a strong independence element within the Board to justify the departure of the Board composition from 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

The Board currently comprises 6 members. 3 independent and non-executive directors make up half the Board with one of them being a Lead Independent Director.

The criterion for independence is based on the definition given in the Code and the Listing Rules. The Code has defined an “independent director” as one who is independent in conduct, character and judgement and who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgment with a view to in the best interests of the Company. Under the Listing Rules, an independent director is not one who is or has been employed by the Company or any of its related corporations for the current or any of the past three financial years; or not one who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC. The independence of each Independent Director is reviewed annually by the NC, based on the definition of independence as stated in the Code and the Listing Rules of SGX-ST. All the three Independent Directors, have confirmed their independence based on the provisions of the Code and the Listing Rules which are in effect as at the date of this Annual Report. The NC has determined that the three Independent Directors of the Company are independent.

The Board is of the view that given the Board size of six, three Independent directors led by a Lead Independent Director provide a good balance of authority and power within the Board. In addition, the Board Committees assisting the Board in its functions will continue to be chaired by an independent director. The Board is of the view that there is a strong independence element within the Board which is consistent with Principle 2 of the Code.

2. We note that the Company had not complied with Provision 3.1 of the Code as the Company's Chairman and CEO position is filled by the same person, and there were no explanations were provided for in your AR2021 on how it is consistent with the intent of Principle 3 of the Code. We reference page 30 of AR2021 which discloses "As such, the Board believes that there are adequate safeguards in place against having a concentration of power and authority in a single individual."

Please clarify how the practices the Company had adopted are consistent with the intent of Principle 3 of the Code, which requires a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.

Company's Response 2

Currently, Mr Henry Ngo is both the Managing Director (CEO equivalent) and Chairman of the Board. The roles of Chairman and Managing Director are clearly established as distinct where Chairman manages the business of the Board, whereas, the Managing Director and his team implements the strategy into executive action. In assuming his roles and responsibilities, Mr Henry Ngo consults with the Board, AC, NC and RC on major issues. There is also a strong element on the Board with half the Board made up of Independent Directors and the appointment of a Lead Independent Director.

As disclosed on page 31 of the Annual Report, the Company has a Lead Independent Non-Executive Director. To uphold the spirit of corporate governance and in accordance with the Code, the Lead Independent Non-Executive Director will be available to shareholders where they have concerns and for which contact through the normal channels of the Chairman and CEO has failed to resolve or is inappropriate.

Based on the above, the Board is of the view that there are adequate safeguards in place against having a concentration of power and authority in a single individual consistent with the intent of Provision 3 of the Code.

BY ORDER OF THE BOARD

Foo Soon Soo
Company Secretary

27 April 2022