



AMARA HOLDINGS LIMITED

Co. Regn. No. 197000732N

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## RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) ON THE COMPANY’S ANNOUNCEMENTS

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The Board of Directors (the “Board”) of Amara Holdings Limited (the “Company”) refers to the queries raised by SGX-ST on 27 April 2022 in respect of the Company’s announcements on 26 April 2022 and 27 April 2022 in relation to the cessation of Mr Tan Tiong Cheng (“Mr Tan”) as Independent Director (collectively referred to as the “Announcements”). The Board sets out its responses as follows:

### Query 1:

In the Announcements, it was disclosed that “Subsequent to 27 April 2022, there will be only one independent director, Mr Chia Kwok Ping, left and he had earlier indicated to the Chairman his desire to step down from the Board after new independent directors have been found, and so far one new independent director has accepted the appointment and 3 more must be found.”.

We note that “one new independent director has accepted the appointment” but the Company has yet to make any announcement in relation to this.

Rule 704(7) requires an issuer to immediately announce the appointment of key persons including director, and the announcement must contain the information contained in Appendix 7.4.1. Please (i) explain why the Company has not complied with this rule; and (ii) immediately comply with the rule by making the required announcement accordingly.

### Company’s Response:

The above statement “one new independent director has accepted the appointment” was made by Mr Tan. Subsequently, the Company has clarified in its announcement captioned “The Board’s Clarification on Announcement of Cessation of Mr Tan Tiong Cheng” released on 27 April 2022 (“27 April 2022 Announcement”), that the Board is in the process of appointing new Independent Directors. Such process involves, inter alia, the completion of relevant documentation and the provision of necessary information by shortlisted candidates in accordance with the Listing Manual and the Code of Corporate Governance 2018. The Company will make the relevant announcements of the appointment of new Independent Directors once the appointments have taken effect.

### Query 2:

We note from the Announcements that:

(i) There are unresolved differences in opinion on material matters between Mr Tan and the board of directors, including matters which would have a material impact on the group or its financial reporting;

(ii) “Mr Tan would like to highlight that: There are outstanding material issues before the Remuneration Committee which are being investigated to be resolved.”; and

(iii) “The outstanding unresolved remuneration issue referred to by Mr Tan involves the implementation of a compensation benchmarking report by a consulting firm engaged to review the compensation of senior management personnel. Mr Tan has viewed the matter as unresolved. The Board wishes to clarify that it is still under discussion and no Remuneration Committee or Board decisions have been made and needs to be followed up. Other than the aforesaid, there is no other outstanding issue before the Remuneration Committee.”.

Please disclose the following:

- (a) Specific details of the unresolved differences in opinion;
- (b) Whether the issues are relating to remuneration of executive directors, other directors, controlling shareholders or their associates;
- (c) We note that the Remuneration Committee (“RC”) Chairman had resigned. The remaining two members of the RC are Mr Lawrence Mok Kwok Wah and Mr Chia Kwok Ping. To disclose how the RC is equipped to consider the issues of remuneration of senior management personnel and how decisions are to be taken in view of the contentious nature of the issues;
- (d) To quantify the impact on the group and on its financial reporting, where applicable, arising from the 2 different opinions;
- (e) How the investigations are being undertaken, details of the investigators appointed, to whom the investigators are reporting to, current status and the expected date of completion of such investigations, and interim findings;
- (f) How the RC/Audit Committee (“AC”) is sufficiently resourced to carry out its investigations noting that there is currently only one independent director, Mr. Chia Kwok Ping, on the Board and on the RC/AC;
- (g) How the candidates for the appointment of new Independent Directors are identified by the Company, the progress of finding new Independent Directors to fill the vacancies to comply with Rules 210(5)(c) and 704(8) of the Listing Manual, and elaborate whether there are sufficient members on the Nominating Committee to assess the suitability of new Independent Directors to be appointed.

**Company’s Response:**

2(a) Mr Tan is of the opinion that there are unresolved issues. The Company has subsequently clarified in its 27 April 2022 Announcement that the issue on hand involves the implementation of a consulting firm’s compensation benchmarking report (“Issue”). The Board does not consider the Issue as an unresolved matter. As clarified in the 27 April 2022 Announcement, the Issue is still under discussion and no decisions have been made yet by the Remuneration Committee (“RC”) or the Board.

2(b) The Issue relates to an immediate family member of one of the Executive Directors of the Company.

2(c) - In regard to the statement noting that the RC Chairman had resigned, the Company would like to clarify that Mr Tan had not submitted his resignation as RC Chairman. Mr Tan was not re-elected at the Company’s Annual General Meeting held on 26 April 2022 (“AGM”) after his retirement under Regulation 87 of the Constitution of the Company and as a result of Mr Tan being not re-elected as a Director, he ceased to be the RC Chairman.

- As mentioned in the Company’s Response to Query 1 above, the Company is in the process of appointing new Independent Directors. After the new Independent Directors come on board, the RC will be reconstituted to comprise at least three directors who will follow up on the Issue until decisions are made by the RC and the Board. The RC decision making process is to solicit comments from all members of the Board and the RC will review the said comments before making a decision. If any decision is not unanimous, then voting will be conducted by the RC and the decision with the majority vote will be submitted to the Board for deliberation and decision.

2(d) The potential impact from the total amount concerned is up to circa S\$60,000 per year.

2(e) Mr Tan is of the opinion that there are outstanding material issues before the RC which are being investigated to be resolved. There is no investigation being carried out on the Issue. Instead, the

Company has clarified in its 27 April 2022 Announcement that the Issue is still under discussion and no decisions have been made yet by the RC or the Board. The RC will be following up on the Issue.

2(f) As mentioned above in the Company's response to Query 2(e), there is no investigation being carried out on the Issue.

2(g) Potential candidates are sourced from a network of contacts and recommendations from members of the Board and Management. The process of sourcing for potential candidates had already started prior to the AGM and the assessment of the suitability of new Independent Directors to be appointed were also carried out by the Nominating Committee ("NC") prior to the AGM, when there were sufficient members on the NC comprising Mr Chia Kwok Ping, Mr Foo Ko Hing and Mr Albert Teo Hock Chuan. As mentioned in the 27 April 2022 Announcement, the Board is in the process of appointing new Independent Directors and endeavours to comply with the requirements of the Listing Manual with the appointment of the new Independent Directors.

By Order of the Board

Susan Teo Geok Tin / Foo Soon Soo  
Company Secretaries

28 April 2022