KIAN HO BEARINGS LTD
Registration No. 197302030N

RESPONSE TO SGX QUERIES ON ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 ("ANNUAL REPORT")

In response to the queries raised by the Singapore Exchange Limited ("SGX") in connection with our Annual Report for the financial year ended 31 December 2013 ("Annual Report"), we wish to provide additional information as follows:-

SGX's Query (a)
For the purpose of complying with Listing Rule 1207(10), please note that the "absence of any evidence to the contrary" disclaimer is NOT allowed in the opinion. We note that the confirmation provided in your annual report on page 20 is not consistent with the aforementioned guideline. Hence, please provide a clean opinion that is in compliance with Listing Rule 1207(10).

Company's Response:
The Board, with the concurrence of the Audit Committee, believes that based on the review conducted the Company has in place an adequate system of internal controls that provides adequate assurance against material financial misstatements or losses including addressing financial, operational, compliance risks and information technology controls, and risk management systems.

SGX's Query (b)
Paragraph 2.4 of the Code of Corporate Governance 2012 (the "Code") states, *inter alia,* that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. The Board should also explain why any such director should be considered independent. We note that the explanation provided in your annual report on page 15 does not contain sufficient information demonstrating the independence of Mr Lee Joo Hai. In accordance with Listing Rule 710, please provide a revised explanation that is in compliance with Paragraph 2.4 of the Code or explain the reason(s) for deviation from the Code.

Company's Response:
The Board considers Mr Lee Joo Hai to be independent despite having served on the Board for more than 9 years because:

a) He does not have any relationship with the Company, its related corporations, substantial shareholders or its officers and Management which could impair his fair judgement;
b) He does not own shares in the Company; and
c) He is independent in character and judgement and he expressed his views independently at all times.

BY ORDER OF THE BOARD

Teo Teng Beng
Managing Director
24 April 2014