

NAM LEE PRESSED METAL INDUSTRIES LIMITED

Company Registration No. 197500362M
(Incorporated in Singapore)

RESPONSE TO QUERY FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

Nam Lee Pressed Metal Industries Limited (the "**Company**") has received the following request from the SGX-ST on 10 January 2022 and provides the response below.

SGX request

We refer to the Company's FY2021 annual report announced on 30 December 2021. Listing Rule 1207(10) requires a statement on whether the audit committee ("AC") concurs with the Board's comments on the adequacy and effectiveness of the Company's internal controls. We note that the AC has not provided such a statement in the Company's Corporate Governance Report. Please do so accordingly.

Company's response

Pages 27 and 28 of the Annual Report for the financial year ended 30 September 2020 provides information on the function of the AC including the following which are extracted from the Annual Report for contextual reference

" The Board, with the assistance of the AC, reviews the Group's internal control processes and risk management practices to ensure that they remain sound and relevant. The Board strives to maintain good internal control standards to allow the Group to effectively manage risks while pursuing its business objectives efficiently. Key areas of internal control include the safeguarding of assets, maintenance of proper accounting records which provides reliable financial information, compliance with appropriate legislation, regulation and best practices and the identification and containment of business risks.

Annually, the Board, with assistance from the AC reviews the results of audits performed by the internal and external auditors and evaluates the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls. "

" The internal control systems and risk management of the Company are designed to provide reasonable, but not absolute, assurance that the Company will not be adversely affected by events that can be reasonably foreseen. The Board notes the system of internal control maintained by Management provides reasonable, but not absolute, assurance against material financial misstatements or loss, particularly if collusion with third parties is involved. However, the system of internal controls, monitoring through audits and whistleblowing mechanism in aggregate are intended to manage risks by practical means.

The Board has received assurance from the MD and Financial Controller that, as at 30 September 2021, the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and financial position, and the Group's risk management and internal control systems are adequate and effective in all material aspects. For the financial year under review, both the Board and the AC have not identified any material weaknesses in the internal controls of the Group. "

" Based on the framework established and the processes above, the Board, is of the opinion that the internal controls and risk management systems of the Group were adequate and effective as at 30 September 2021 to address the financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations. "

Specific to the preceding paragraph, we confirm that the opinion of the Board on the adequacy and effectiveness of the Company's internal controls has the concurrence of the Audit Committee.

BY ORDER OF THE BOARD

Eric Yong Han Keong
Managing Director
Date: 12 January 2021