

HOE LEONG CORPORATION LTD.
("the Company")
(Company registration number 199408433W)
(Incorporated in the Republic of Singapore)

RESPONSE TO SGX-ST QUERY ON ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Board of Directors (the "Board") of the Company refers to the query raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 28 April 2016 regarding the disclosure of information in the Corporate Governance Report and would like to provide its response as follows:

1. SGX's Query :

Paragraph 11.3 of the Code of Corporate Governance 2012 (the "Code") states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the Company's Annual Report.

The Exchange noted that the Annual Report did not disclose the Board's comments on the adequacy and effectiveness of the information technology controls. As recommended in paragraph 11.3 of the Code and pursuant to Rule 710 of the Listing Manual, please disclose the Board's comment on the adequacy and effectiveness of the Company's information technology controls. Otherwise explain the reason(s) for the deviation from the Code.

Company's Response :

The Board's comment on the effectiveness of the internal controls of the Company is as follows:-

"Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by the Management, various Board Committees and the Board, and the written assurance from the Chief Executive Officer and the Group Financial Controller, the Board with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls, addressing key financial, operational, compliance **and information technology controls**, and risk management systems were adequate and effective as at 31 December 2015. The Group will review its internal control systems and processes on an on-going basis and make further improvements when necessary."

On behalf of the Board
HOE LEONG CORPORATION LTD.

Kuah Geok Lin
Chairman and Chief Executive Officer

28 April 2016