

ISR CAPITAL LIMITED
(Company Registration No. 200104762G)
(Incorporated in the Republic of Singapore)
(the “Company”)

**RESPONSES TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED’S QUERY ON
2015 ANNUAL REPORT**

The Board of Directors (the “**Board**”) of ISR Capital Limited (the “**Company**”) wishes to provide the following additional information in response to the queries raised by Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in their email dated 25 April 2016:-

Query by SGX-ST:

- 1) Paragraph 11.3 of the Code of Corporate Governance 2012 (the “Code”) states that the Board should comment in the Company’s Annual Report on whether it has received assurance from the CEO and the CFO that the financial statements give a true and fair view of the Company’s operations and finances.

Please make disclosures on the Board’s comments or otherwise explain the reason(s) for the deviation from the following Code recommendations.

Company’s Response:

The Board has obtained assurance from the CEO and the Group Financial Controller that:

- (a) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group’s operations and finances; and
- (b) they have evaluated the effectiveness of the Group’s risk management and internal controls and have discussed with the Group’s external and internal auditors of their reporting points and note that there have been no significant deficiencies in the design or operation of risk management and internal controls which could adversely affect the Company’s ability to record, process, summarise or report financial data.

Query by SGX-ST:

- 2) Listing Rule 704(5) requires the Company to immediately announce any qualification or emphasis of a matter by the auditors on the financial statements of the Company. Please comply accordingly.

Company’s Response:

The announcement in relation to the emphasis of matter by the auditors on the financial statements of the Company has been released on 27 April 2016.

Query by SGX-ST:

- 3) Listing Rule 704(6) requires the Company to immediately announce any material adjustments to its preliminary full-year results made subsequently by auditors. Please comply accordingly.

Company's Response:

The announcement in relation to the material adjustments to its preliminary full-year results made subsequently by auditors has been released on 27 April 2016.

Query by SGX-ST:

- 4) As required by Rule 1207(12) of the Listing Manual, please make disclosures as recommended in paragraph 9.3 of the Code or otherwise explain the reason(s) for the deviation from the following Code recommendations.

Paragraph 9.3 of the Code states that the company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As best practice, companies are also encouraged to fully disclose the remuneration of the said top five key management personnel.

Company's Response:

As disclosed on page 21 of the 2015 Annual Report, the Company disclosed in aggregate the total remuneration of the key management personnel instead of disclosing the identity and remuneration bands of key management personnel in view of the sensitivity of the remuneration matters and given that the industry is very competitive in terms of hiring key management personnel. During the financial year 2015, there were only three key management personnel, all of whom are not directors or CEO of the Company. As disclosed in the 2015 Annual Report, the annual aggregate remuneration paid to the top three key management personnel (who are not Directors or CEO of the Company) for FY2015 was approximately S\$481,000.

BY ORDER OF THE BOARD

Quah Su-Yin
Chief Executive Officer and Executive Director

27 April 2016