

## NAM LEE PRESSED METAL INDUSTRIES LIMITED

Company Registration No. 197500362M

(Incorporated in Singapore)

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### RESPONSE TO THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES ON ANNUAL REPORT 2014

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The Board of Directors (the "Board") of Nam Lee Pressed Metal Industries Limited (the "Company") refers to the queries raised by the Singapore Exchange Securities Trading Limited in relation to the Company's Annual Report 2014 and wishes to provide the Company's response as follows:

1. Paragraph 11.3 of the Code of Corporate Governance 2012 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 Board's commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems. On page 14 of the Company's annual report, we note that the Board has commented on the adequacy of the internal controls, however, there was no commentary on the adequacy and effectiveness of the risk management systems. In this respect, please disclose or explain the reason(s) for the deviation from the code.

The Board, with the concurrence of the Audit Committee, is of the opinion that the system of internal control (including financial, operational and compliance and information technology controls and risk management systems) of the Company is adequate and effective.

2. As required by Rule 1207(12) of the Listing Manual, please make disclosures as recommended in paragraph 9.2 of the Code of Corporate Governance 2012 (the "Code") or otherwise explain the reason(s) for the deviation from the following Code recommendations. The Company reported that it did not disclose directors' remuneration in the nearest thousand dollars for competitive reasons. The band for directors was stated as "above S\$500,000", without an upper limit. Please provide an upper limit to the band.

The upper limit of the band is S\$749,000.

3. Guideline 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:-
  - (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and
  - (b) regarding the effectiveness of the company's risk management and internal control systems.In this respect, please disclose or explain the reason(s) for the deviation from the code.

The Board confirms that prior to approving the Company's Annual Report it received assurance from the Company's management personnel including managing director, general manager and financial controller:

- (a) that the financial records have been properly maintained and the financial statements for the financial year ended 30 September 2014 give a true and fair view of the Company's operations and finances; and
- (b) the Company's risk management and internal control systems are operating effectively.

By Order of the Board

Yong Kin Sen  
Managing Director  
27 January 2015