



HIAP HOE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199400676Z)

CLARIFICATION ON AND CORRIGENDUM TO ANNUAL REPORT 2015

The Board of Directors of Hiap Hoe Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the annual report issued by the Company in respect of the financial year ended 31 December 2015 (the “**Annual Report 2015**”), a copy of which is attached in an announcement released on SGXNET on 12 April 2016.

Clarification on the Annual Report 2015

The Board wishes to announce the following in response to SGX’s email on 25 April 2016 seeking clarification on the Annual Report 2015:

SGX’s Query:

*As required under Listing Rule 710, please make disclosures as recommended in the Code of Corporate Governance 2012 (the “**Code**”) or otherwise explain the reason(s) for the deviation from the following Code guideline:-*

- a. *Guideline 11.3 of the Code states, inter alia, 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.*

Company’s Response:

As stated on page 30 of the Annual Report 2015, the Board reviews the effectiveness of the key internal controls including financial, operational, compliance and information technology controls, as well as risk management systems on an on-going basis. In addition, as disclosed on page 31 of the Annual Report 2015, the Board has received assurance from the Company’s Chief Executive Officer and the Financial Controller for the financial year ended 31 December 2015 that, *inter alia*, the Company’s risk management and internal control systems are in place and effective.

In view of the aforementioned, based on the Group’s adopted Enterprise Risk Management framework and internal controls established and maintained by the Company, work performed in conjunction with the statutory audit, and reviews performed by various parties including the Group’s management team, the Board, and various committees such as the Audit and Risk Committee (“**ARC**”), the Remuneration Committee, and the Nominating Committee, the Board, with the concurrence of ARC, is satisfied that there are adequate and effective internal controls and risk management systems in the Group for the financial year ended 31 December 2015 addressing any financial, operational, compliance and information technology control risks.

Corrigendum to the Annual Report 2015

In addition, the Company wishes to correct an inadvertent omission to include one (1) transaction, the details of which are found in the second row of the table on the next page of this announcement, on page 35 of the Company’s Annual Report 2015 with regard to Interested Person Transactions. The information appearing on page 35 of the Annual Report 2015 should read as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Hiap Hoe Holdings Pte Ltd (The immediate and ultimate holding company)	Disposal of 100% of the issued and paid up share capital of: - Hiap Hoe SuperBowl JV Pte Ltd (value of transactions amounting to \$72,833,151)	Nil
Hiap Hoe & Co. Pte. Ltd. (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	Nil	Provision of Project and Construction Management Service to the Company's wholly-owned subsidiary: - WestBuild Construction Pte Ltd (value of transactions amounting to \$1,414,000)
Hiap Hoe Realty Pte Ltd (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	Provision of Rental of Premises to the Company's wholly-owned subsidiary: - Meteorite Group Pte Ltd (value of transactions amounting to \$128,000)	Nil

The Company would like to clarify that the abovementioned transaction, which was first announced on SGXNET on 8 December 2014, is disclosed in other parts of the Annual Report 2015, namely in paragraph 14(b) of the Notes to the Financial Statements (page 86 of the Annual Report 2015).

By Order of the Board

Ong Beng Hong
Joint Company Secretary

26 April 2015