

**RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED
(THE "SGX-ST") ON THE COMPANY'S ANNUAL REPORT 2014**

The Board of Directors of Hiap Hoe Limited ("HHL" or the "Company") together with its subsidiaries, (the "Group") refers to the queries raised by the SGX-ST on 16 April 2015 and respond as follows:

SGX-ST's Query 1 : **Principle 2.4 of the Code of Corporate Governance 2012 (the "Code") states that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing the Board. The Board should also explain why any such director should be considered independent.**

HHL's Response: The Nominating Committee had assessed the independency of the Independent Directors of HHL based on the Code's definition. The Nominating Committee performed rigorous review annually on the performance of the Board in particular taken into accounts the Director's ability to exercise independent judgment objectively at all times and contribute to the effective functioning of the Board.

As stated in the CG Report, based on the NC's view, the Board has also reviewed and considered both Mr Chan Wah Tiong and Mr Chan Boon Hui to be Independent Directors and throughout their appointment, they have been continuously and constructively challenged the Management on business decision and remained objective in the discharge of their duties and responsibilities.

SGX-ST's Query 2 **To make disclosure pursuant to Rule 712 and Rule 715 or Rule 716 of the Listing Manual whereby a listed issuer must engage (i) the same auditing firm based in Singapore to audit its accounts, and its Singapore-incorporated subsidiaries and significant associated companies and (ii) suitable auditing firm for significant foreign-incorporated subsidiaries and associated companies**

HHL Response: HHL has complied with Rule 712 and Rule 716 of the Listing Manual.

The Audit Committee and Board are satisfied that the appointment of different auditing firms for its subsidiaries or significant associated companies would not compromise the standard and effectiveness of the audit of HHL.

SGX-ST's Query 3 **Principle 9.3 of the Code requires disclosure on the name and disclose the remuneration of at least top 5 key management personnel (who are not directors or the CEO) in bands of S\$250,000. Companies need only show the applicable bands. There should be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonus, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives**

HIAP HOE LIMITED
(Company Registration No. 199400676Z)

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HHL
Response: In view of the competitive pressures in the labour market on retaining talent, HHL believes that it is not in the best interests of the Company to disclose full details of the remuneration of the top 5 Key Management Personnel.

HHL believes that the full disclosure of remuneration of the top 5 Key Management Personnel (who are not directors or the CEO) would be prejudicial to the Company’s interests and hamper its ability to retain and nurture the Group’s talent pool. The Company has instead disclosed the breakdown in percentage terms.

BY ORDER OF THE BOARD

TEO HO BENG
Executive Chairman/Chief Executive Officer
17 April 2015