

HAFARY HOLDINGS LIMITED
(Company Registration No: 200918637C)
(Incorporated in the Republic of Singapore)

RESPONSE TO SGX QUERY REGARDING ANNUAL REPORT FOR FY2014

The Board of Directors of the Hafary Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to respond to the query from the Singapore Exchange Securities Trading Limited on 24 October 2014, as follows:-

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.

Paragraph 11.3 of 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 Board's commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems.

Response: The Company has disclosed on page 36 of the Annual Report, that "Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, risk assessment reports, assurance from the CEO and Financial Controller and reviews performed by management, the Board, with the concurrence of the Audit Committee, is of the opinion that the internal controls and risk management systems in place are adequate in addressing the financial, operational, compliance and information technology risks of the Company as at 30 June 2014".

In addition to the above disclosure, the Company wishes to provide the disclosure that the Board, with the concurrence of the Audit Committee, is of the opinion that the internal controls and risk management systems in place are adequate and effective in addressing the financial, operational, compliance and information technology risks of the Company as at 30 June 2014.

By Order of the Board

Tay Eng Kiat Jackson
Financial Controller
27 October 2014