

HLH GROUP LIMITED

Co. Reg. No. 199905292D
(Incorporated in the Republic of Singapore)

RESPONSE TO SGX QUERIES FROM SGX-ST ON THE ADDITIONAL DISCLOSURE IN RELATION TO THE CORPORATE GOVERNANCE STATEMENT IN THE ANNUAL REPORT OF HLH GROUP LIMITED FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

The Board of Directors of HLH Group Limited (the "Company") wishes to announce the following information in response to SGX-ST's queries received on 15 April 2015 regarding the Corporate Governance Statement in the Annual Report of the Company for the financial year ended 31 December 2014 which was submitted to SGX-ST on 2 April 2015:-

SGX-ST's Query 1

Paragraph 11.3 of the Code of Corporate Governance 2012 (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. As recommended in paragraph 11.3 of the Code and pursuant to Rule 710 of the Listing Manual, please make disclosures on the Board's comments on the adequacy and effectiveness of the Company's risk management systems or otherwise explain the reason(s) for the deviation from the following Code recommendations.

The Company's reply

The Company has disclosed on page 22 of the Annual Report, that "The Board, with the concurrence of the Audit Committee, is satisfied that the Group's framework of internal controls is adequate to address the financial, operational, compliance and information technology risks of the Group, and provide reasonable assurance in safeguarding its assets and shareholders investments and against any material misstatement loss".

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 31 December 2014.

SGX-ST's Query 2

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.**

The Company’s reply

The Board has received assurance from the CEO and the CFO that:-

- (a) 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) the Group’s risk management and internal control systems in place is adequate and effective in addressing the key financial, operational and compliance risks in the Group in its current business environment.

By Order of the Board

Helen Campos
Company Secretary
16 April 2015