



新興重型機械有限公司  
**SIN HENG HEAVY MACHINERY LIMITED**

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**RESPONSE TO SGX QUERY ON ANNUAL REPORT 2014**

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The Board of Directors of Sin Heng Heavy Machinery Limited (the “**Company**”) refers to the query raised by the Singapore Exchange Securities Trading Limited in relation to the Company’s Annual Report for the financial year ended 30 June 2014 (“**AR2014**”) and wishes to provide the Company’s response to such query as follow:

Query:

Guideline 11.3 of the Code of Corporate Governance 2012 (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:

The Company refers to page 42 of the AR2014 and would like to clarify that based on the reports from the internal and external auditors and concurrence of the Audit Committee, the Board is of the opinion that there were adequate internal controls to address the financial, operational, compliance and information technology controls, and risk management systems as at 30 June 2014 for the nature and size of the Group’s assets and ensure the integrity of the financial statements. The management continues to focus on improving the standard of internal controls, corporate governance and the mitigation of high risk areas.

BY ORDER OF THE BOARD

Tan Cheng Soon Don  
Managing Director  
28 October 2014