



**CLARIFICATION IN RELATION TO ANNUAL REPORT FOR THE
FINANCIAL YEAR ENDED 30 APRIL 2014**

The board of directors (the “Board”) of Popular Holdings Limited (the “Company”) wishes to provide the following clarification in response to a query received from Singapore Exchange Securities Trading Limited on 13 August 2014 regarding the Company’s Annual Report for the financial year ended 30 April 2014.

Query

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. 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. As required under Listing Rule 710, please make disclosure as recommended in the Code or otherwise explain the deviation from the Code.

Response

The Board, with the assistance of the Audit Committee (the “AC”), is responsible for the governance of risk of the Company and its subsidiaries (collectively, the “Group”). The Board determines the Group’s level of risk tolerance and risk policies and oversees Management in the design, implementation and monitoring of the system of risk management and internal control. The Board also received assurance from the Group CEO and the Finance Director of the Group that the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks within the Group in its current business environment.

Based on the internal controls established and maintained by the Group, work performed by the Internal and External Auditors, and reviews performed by Management, various Board Committees and the Board, the AC and the Board are of the opinion that the Group’s system of risk management and internal controls, addressing financial, operational, compliance and information technology risks, is adequate to provide reasonable assurance of the integrity, effectiveness and efficiency of the Group in safeguarding its assets and shareholders’ investments.

By order of the Board

Chou Cheng Ngok
Executive Director
Singapore, 15 August 2014