

HOCK LIAN SENG HOLDINGS LIMITED
(Company Registration No.: 200908903E)

**RESPONSE TO SGX QUERY ON ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

The Board of Directors of Hock Lian Seng Holdings Limited (the “**Company**”) wishes to provide additional information in response to the query received from the SGX with respect to the Company’s Annual Report for the financial year ended 31 December 2016 (the “**Annual Report 2016**”).

SGX Query:

1. *Guideline 9.4 of the Code of Corporate Governance 2012 (the “Code”) states that the Company should disclose details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclose of remuneration should be in incremental bands of S\$50,000.*

The remuneration of Mr. Chua Hua Hong (an employee who is a family member of the directors or CEO) was not disclosed in incremental bands of S\$50,000. As recommended by the Code, please disclose his remuneration in incremental bands of S\$50,000 or otherwise explain the reason(s) for the deviation from the Code.

2. *Paragraph 11.3 of 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 regarding the effectiveness of the company’s risk management and internal control systems.*

The CEO and CFO have evaluated and discussed the systems with the Company’s external and internal auditors. Following this, please disclose whether the Board has received assurance from the CEO and the CFO regarding the effectiveness of the company’s risk management and internal control systems. Please make disclosures on the Board’s comments or otherwise explain the reason(s) for the deviation from the following Code recommendations.

Company’s response:

1. Apart from the disclosure in the “Remuneration of the Key Management Personnel”, the remuneration of Mr Chua Hua Hong was within the S\$150,000 to S\$200,000 for the incremental bands of S\$50,000.
2. The Board has received assurance from the CEO and CFO on the effectiveness of the Company risk management and internal control systems.

By Order of the Board

Chew Kok Liang
Company Secretary
9 May 2017