

**RESPONSE TO SGX QUERY ON ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

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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 2011(the “**Annual Report 2011**”).

**SGX Query:**

*We refer to the Company's Annual Report 2011.*

*Listing Rule 1207(10) provides that the annual report must contain an opinion of the board with the concurrence of the audit committee on the adequacy of the internal controls, addressing financial, operational and compliance risks. For the purpose of complying with Listing Rule 1207(10), please note that:-*

- (a) “Absence of evidence to the contrary” disclaimer is NOT allowed in the opinion.*
- (b) The Board and the Audit Committee must opine whether the internal controls are adequate to address all three areas of risks (i.e. financial, operational and compliance risks). “In its current business environment”, “business operations” without mention of all the three risk areas are not acceptable.*
- (c) Both the Board and the AC must provide the opinion; “The Board and the AC believes” is not acceptable.*

*We note that the confirmation provided on page 23 of your Annual Report is not consistent with some of the guidelines stated above. In this regard, please provide a clean opinion that is in compliance with Listing Rule 1207(10) in an announcement.*

**Company’s response:**

The Company refers to the statements made on the Group’s internal controls as set out under the section entitled “Principle 12: Internal Controls” on page 23 of its Annual Report 2011 and confirms the following opinion, in compliance with Listing Rule 1207(10):

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by management, Audit Committees and the Board, the Board with the concurrence of the Audit Committee is of the opinion that the Group’s internal controls, addressing financial, operational and compliance risks, were adequate as at 31 December 2011.

**By Order of the Board**

Seah Hai Yang  
Company Secretary  
24 April 2012