



HG METAL MANUFACTURING LIMITED
(Company Registration No. 198802660D)

RESPONSE TO SGX QUERY ON ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

The Board of Directors of HG Metal Manufacturing Limited (the “Company”) refers to the query raised by Singapore Exchange Securities Trading Limited (“SGX-ST”) in respect of the Company’s Annual Report for the financial year ended 31 December 2014 (“Annual Report”) and wishes to respond as follows:-

SGX-ST’s query: Guideline 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. The Board should also 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.

As required under Listing Rule 710, please make disclosure as recommended in the Code; in particular, the effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, or otherwise explain the reason(s) for the deviation.

Company’s response:

The Company refers to the disclosure as recommended in the Code; in particular, the effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems and wishes to clarify that the first paragraph of page 30 of the Annual Report should read as follows (with the changes underlined below):-

“Based on the internal controls established and maintained by the Group, works performed by the internal and external auditors and reviews performed, the Board with concurrence of the ARC are of the opinion that the Group’s internal controls, addressing financial, operational, compliance and information technology controls and risk management systems were adequate and effective as at 31 December 2014.”

By Order of the Board

Foo Sey Liang
Executive Director

21 April 2015