



HIAP HOE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199400676Z)

RESPONSE TO SGX QUERIES REGARDING THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The board of directors (the “**Board**” or the “**Directors**”) of Hiap Hoe Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the following in response to queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) relating to the Company’s Annual Report for the financial year ended 31 December 2017 (“**FY2017**”).

SGX Query

Listing Rule 715(2) provides that the issuer must engage a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies.

The Company’s foreign-incorporated subsidiaries and associated companies are listed on pages 79 to 81 of the Annual Report and the Company has stated on page 82 of the Annual Report that “the Australian incorporated subsidiaries are audited by HLB Mann Judd, Melbourne and the United Kingdom incorporated subsidiaries are audited by HLB Beever and Struthers, Manchester” or “unaudited as there is no statutory requirement for companies to be audited in respective country of incorporation”.

With regard to these entities:

- (i) Please state if they are significant foreign-incorporated subsidiaries and associated companies of the Company; and
- (ii) If so, please provide (1) the Board and Audit Committee’s assessment of the auditing firm’s suitability; and (2) their basis for the same.

Response to (i)

The Company confirms that none of the United Kingdom incorporated subsidiaries and Australian incorporated subsidiaries, with the exception of Meteorite Land (Pearl River) Pty Ltd (“**ML(PR)**”), are significant foreign-incorporated subsidiaries and associated companies of the Company. In accordance with Listing Rule 718, for FY2017, the net tangible assets of the said foreign-incorporated subsidiaries did not represent 20% or more of the Company’s consolidated net tangible assets, and neither did the pre-tax profits of the foreign-incorporated subsidiaries account for 20% or more of the Company’s consolidated pre-tax profits.

For FY2017, ML(PR), an indirect subsidiary of the Company incorporated in Australia was considered a significant foreign-incorporated subsidiary of the Company due to the sale of units in Marina Tower, Melbourne. In accordance with Listing Rule 718, for FY2017, the consolidated pre-tax profits exceed 20% of the Company’s consolidated pre-tax profits.

The Company would like to clarify that although ML(PR) was considered a significant foreign-incorporated subsidiary of the Company for FY2017, the audit of ML(PR) was undertaken by HLB Man Judd, Melbourne with oversight by our Group’s auditors in Singapore, Foo Kon Tan LLP through their affiliation as principal members of HLB International.

Response to (ii)

The Board as well as the Audit and Risk Committee are of the view that HLB Man Judd, Melbourne is a suitable auditing firm taking into consideration HLB Man Judd, Melbourne's affiliation with Foo Kon Tan LLP, our Group auditor, and its profile, size, experience and track record.

By Order of the Board

Ong Beng Hong
Joint Company Secretary

3 May 2018