



CHIP ENG SENG CORPORATION LTD

Co. Reg. No. 199805196H

RESPONSE TO THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST")'S QUERY ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The Board of Directors of Chip Eng Seng Corporation Ltd (the "**Company**") refers to the email received on 23 April 2014 from the SGX-ST in connection with the Company's Annual Report for the financial year ended 31 December 2013 ("**Annual Report**") and wishes to respond as follows:-

SGX-ST's 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. As recommended in paragraph 11.3 of the Code and pursuant to Rule 710 of the Listing Manual, please make disclosures on the Board's comments on the adequacy and effectiveness of the Company's risk management systems, or otherwise explain the reason(s) for the deviation from the following Code recommendations.*

Company's Response

The Company refers to the statements made on the Group's internal controls as set out under the section entitled (Principle 11: Risk management and internal controls) on page 36 of the Annual Report and confirms the following opinion should be inclusive of risk management systems in compliance with Code 11.3 of the Code as below:

"Based on the reviews conducted by management and both the internal and external auditors throughout the financial year, as well as the assurance from the Group CEO and the CFO, the Board with the concurrence of the AC, is of opinion that the Group's internal controls were adequate as at 31 December 2013 to address financial, operational, compliance, information technology controls and risk management systems which the Group considers relevant and material to its operations."

Submitted by Chia Lee Meng Raymond, Group Chief Executive Officer on 24 April 2014 to the SGX.