



HOTEL ROYAL LIMITED
(Co. Reg. No. 196800298G)
(Incorporated in the Republic of Singapore)

COMPLIANCE WITH RULE 1207(10)

The Board of Directors refers to Page 16 of the Company's Annual Report 2011 regarding internal controls. Rule 719(1) of the Listing Manual requires the Company to have a robust and effective system of internal controls addressing financial, operational and compliance risks. For reporting requirement, Rule 1207(10) of the Listing Manual requires the Company to disclose in its annual report the opinion of the Board, with the concurrence of the Audit Committee, in the adequacy of the internal controls, addressing financial, operational and compliance risks. The Board refers to the disclosure on page 16 of the Company's annual report 2011, and wishes to provide the following opinion that is in compliance with Rule 1207(10) of the Listing Manual:-

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the Audit Committee and the Board are 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

Sharon Yeoh
Company Secretary

24 April 2012