PNE INDUSTRIES LTD

(Company Registration No. 199905792R)
(Incorporated in the Republic of Singapore)

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE COMPANY'S 2015 ANNUAL REPORT

The Board of Directors of PNE Industries Ltd (the "Company" and together with its subsidiaries, the "Group") refers to the queries from the Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 January 2016 regarding the Company's Annual Report for the year ended 30 September 2015, and wishes to respond as follows:

SGX-ST's Query 1:
As required by Rule 1207(12) of the Listing Manual, please make disclosures as recommended in Guideline 9.3 of the Code of Corporate Governance 2012 (the "Code") or otherwise explain the reason(s) for the deviation from the following Code recommendations. We note that the Company had not disclosed the aggregate remuneration paid to the key management personnel (who are not directors or the CEO). Please explain the deviation.

SGX-ST's Query 2:
Please also make disclosures as recommended in Guideline 9.4 of the Code of Corporate Governance 2012 (the "Code") or otherwise explain the reason(s) for the deviation from the following Code recommendations. We note that the Company had not disclosed the remuneration of employees who are immediate family members of a director or the CEO and whose remuneration exceeds S$50,000 during the year in incremental bands of S$50,000 with an upper limit or provided the reason for the deviation.

Company's response to the above queries:
As stated in the Company's Annual Report, given the sensitive nature of employee remuneration, and the possible pressures from both within and outside the Group upon disclosing such information, the Board has decided that detailed disclosure of each director's and key executive's remuneration is not in the interests of the Company. This applies also to disclosures of other information regarding remuneration, including information on the aggregate remuneration paid to key management personnel who are not directors or CEO, and on remuneration of employees who are immediate family members of a director or CEO in bands of S$50,000, regardless of whether or not the remuneration exceeds S$50,000.

BY ORDER OF THE BOARD

Tan Meng Siew
Financial Controller and Company Secretary
21 January 2016