

**FOOD EMPIRE HOLDINGS LIMITED**  
(Co Registration No: 200001282G)

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**RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”) ON THE COMPANY’S ANNUAL REPORT 2014**

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The Board of Directors of Food Empire Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refer to the queries raised by the SGX-ST on 15 April 2015 and respond as follows:-

SGX-ST’s query 1

1. Paragraph 2.4 of the Code of Corporate Governance 2012 (the “Code”) states that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent.

It was disclosed that “Although Mr. Lew Syn Pau, Mr. Ong Kian Min and Mr. Boon Yoon Chiang have served on the Board for more than nine years, the Board considered that they are independent in character and judgment as there are no circumstances which would likely affect or appear to affect their judgment.” Please elaborate on the rigorous review and the factors taken into account by the Board in relation to their assessment that Mr. Lew Syn Pau, Mr. Ong Kian Min and Mr. Boon Yoon Chiang are considered “independent in character and judgment.

The Company’s response:

“In determining the independence of a Director, the Board, with the affected directors abstaining from the review, takes into consideration, among others, Guideline 2.3 of the Code, in which, the Board may consider a Director independent if he has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere with his exercise of independent business judgment. Furthermore, the Board also notes that none of the affected independent directors had any interested party transactions with the Group or the substantial shareholders that might affect their independence. The Board has observed their performance at Board meetings and other occasions and have no reasons to doubt their independence in the course of discharging their duties.

Hence, the Board is of the view that Mr. Lew Syn Pau, Mr. Ong Kian Min and Mr. Boon Yoon Chiang should still be considered independent despite having been on the Board for more than 9 years as there are no circumstances which might affect their judgment. The Board wishes to retain them for their combined strength of character, objectivity and wealth of useful and relevant experience which would enable them to be effective independent directors, their long tenure notwithstanding.”

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SGX-ST's query 2

2. As required by Rule 1207(12) of the Listing Manual, please make disclosures as recommended in paragraph 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. Paragraph 9.3 of the Code states that the Company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO).

The Company's response:

"On remuneration disclosures relating to Principle 9 of the Code, the Board has taken a stance not to adopt this practice because it is of the view that such disclosure may be detrimental to the Group's interest as it may lead to poaching of executives within a highly competitive industry."

SGX-ST's query 3

3. As required by Rule 1207(12) of the Listing Manual, please make disclosures as recommended in paragraph 9.2 of the Code of Corporate Governance 2012 (the "Code") or otherwise explain the reason(s) for the deviation from the following Code recommendations. Paragraph 9.2 of the Code states that the Company should fully disclose the remuneration of each individual director and the CEO on a named basis. For administrative convenience, the Company may round off the disclosed figures to the nearest thousand dollars. There should be a breakdown (in percentage or dollar terms) of each director's and the CEO's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives.

The Company's response:

"On remuneration disclosures relating to Principle 9 of the Code, the Board has taken a stance not to adopt this practice because it is of the view that such disclosure may be detrimental to the Group's interest as it may lead to poaching of executives within a highly competitive industry. It also wishes to maintain confidentiality of remuneration within the Group for more harmonious and effective human resources management and deployment across the many countries we operate in."

By Order of the Board

Tan Cher Liang  
Company Secretary

16 April 2015