



Response to Queries from the Singapore Exchange Securities Trading Limited ("SGX-ST") on the Company's Annual Report 2014

The Board of Directors of Teckwah Industrial Corporation Ltd (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the queries raised by the SGX-ST on 22 April 2015 and respond as follows:-

SGX-ST's Query 1

- (a) Guideline 9.3 of the Code of Corporate Governance 2012 (the "Code") states that the Company should name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S\$250,000. Companies need only show the applicable bands. There should be a breakdown (in percentage or dollar terms) of each key management personnel'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.

In addition, the Company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO).

As required under Listing Rule 1207(12) of the Listing Manual, please make disclosure as recommended in the Code; or otherwise disclose and explain any deviation from the recommendation.

- (b) Guideline 9.4 of the Code states that for transparency, the annual remuneration report should disclose the details of 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. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S\$50,000. The company need only show the applicable bands.

As required under Listing Rule 1207(12) of the Listing Manual, please make disclosure as recommended in the Code; or otherwise disclose and explain any deviation from the recommendation.

The Company's response:

- (a) In view of the competitive pressures in the labour market on retaining talent, the Company believes that it is not in the best interests of the Company to disclose the details of the remuneration of the top five key management personnel (who are not directors or the CEO) as required by Guideline 9.3 of the Code (the "Disclosure").





The Company believes that given the highly competitive industry conditions and in the interest of maintaining good morale and a strong spirit of teamwork within the Group, the Disclosure would be prejudicial to the Company's interests and hamper its ability to retain and nurture the Group's talent pool.

- (b) Mr James Chua Kee Hin (brother of Thomas Chua Kee Seng); Ms Chua Bee Lay (sister of Thomas Chua Kee Seng); Ms Chua Ai Ling (daughter of Thomas Chua Kee Seng and Mai Ah Ngo); Ms Chua Xing Ling (daughter of Thomas Chua Kee Seng and Mai Ah Ngo) and Ms Chua Bao Hui (daughter of Thomas Chua Kee Seng and Mai Ah Ngo) are employees of the Group whose remuneration exceeded \$50,000 each during the financial year who are immediate family members of the Directors.

The Company has taken a stance not to adopt the full disclosure under Guideline 9.4 of the Code because it is of the view that such disclosure of remuneration of employees who are immediate family members of a director or CEO may be detrimental to the Group's interest as it may lead to poaching of executives within a highly competitive industry. The Company also wishes to maintain confidentiality of remuneration within the Group for more harmonious and effective human resource management.

SGX-ST's Query 2

We note on page 51 of the Annual Report 2014, the disclosure in relation to interested person transactions ("IPT") entered during the financial period under review. With reference to Listing Rule 907, please disclose the aggregate value of IPTs entered into during the financial year under review. The name of the interested person and the corresponding aggregate value of the interested person transactions entered into with the same interested person must be presented in the following format:-

Name of Interested Person	Aggregate value of all IPT during the financial year under review (excluding transactions below \$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions below \$100,000)
	\$'000	\$'000

Please provide a negative statement if there was no IPT entered into during the financial year.

The Company's response:

The aggregate value of transactions conducted with Ho Bee Land Ltd (previously known as Ho Bee Investments Ltd) was not material (less than \$100,000) during the financial year ended 31 December 2014.

By Order of the Board

Lo Swee Oi
Company Secretary
Date: 23 April 2015

