

RESPONSE TO SGX-ST’S QUERIES REGARDING ANNUAL REPORT

In response to the queries raised by Singapore Exchange Securities Trading Limited (“SGX-ST”) in its email of 2 April 2014 in connection with the Company’s Annual Report for the financial year ended 31 December 2013, the Board of Directors of the Company wishes to clarify as follows:-

SGX-ST’s Queries

- (a) *It is stated on page 49 of the annual report that, “... the Board with the concurrence of the AC, is satisfied that the system of internal controls in place as at 31 December 2013 is adequate and effective in all material respects in the context of the current scope of the Company’s business operations”.*

Rule 1207(10) of the Listing Manual states that the annual report should disclose the opinion of the Board with the concurrence of the audit committee on the adequacy of the internal controls, addressing financial, operational and compliance risks, and the basis of the opinion. There should not be a caveat, “in all material respects”, for the opinion. Please disclose a revised statement that is in compliance with Rule 1207(10) of the Listing Manual.

- (b) *Paragraph 9.2 of the Code of Corporate Governance 2012 (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. As the Company is required under Listing Rule 1207(12) to make disclosure as recommended in the Code or otherwise disclose and explain any deviation from the recommendation, please elaborate on the Company’s statement that “...the Board does not believe it is in the interest of the Company to disclose the Directors’ Remuneration to the nearest thousand dollars and that the current disclosure on a named basis and in bands of \$250,000 including the provision of a breakdown in percentage terms is sufficient”.*

Company’s Response

- (a) Please read the following in place of that quoted: “..., the Board with the concurrence of the AC, is satisfied that the system of internal controls in place as at 31 December 2013 to address in all material aspects the financial, operational, compliance and information technology risks is adequate and effective in the context of the current scope of the Company’s business operations.”

RESPONSE TO SGX-ST'S QUERIES REGARDING ANNUAL REPORT

- (b) The Company has disclosed the remuneration of each Director including the Board Chairman/Managing Director on a named basis in bands of \$250,000 with breakdown of the details (base salary, variable bonus/allowances, Board/Board Committee fees, share option grants and other benefits) in percentage terms.

The Board wishes to highlight that 8 out of 9 Directors on the Board are non-executive Directors, whose remuneration comprises not less than 99% in Board/Board Committee fees, the aggregate amounts of which are subject to the approval of shareholders of the Company at the relevant annual general meeting. The remuneration of these non-executive Directors is also in the lowest band of up to \$250,000. The Board Chairman's remuneration is disclosed as falling between \$1,750,000 to below \$2,000,000.

The Board is of the view that the current disclosure on the remuneration of the Directors provides a balance between disclosure which is fit for purpose and confidentiality, especially in the sensitive area of remuneration, and has concluded on this occasion that extending the disclosure does not further the Company's interest.

BY ORDER OF THE BOARD

Yeo Swee Gim, Joanne
Company Secretary

Date: 4 April 2014