



TIONG WOON CORPORATION HOLDING LTD

Company Registration No.: 199705837C

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) ON THE COMPANY’S 2015 ANNUAL REPORT

The Board of Directors (the “Board”) of Tiong Woon Corporation Holding Ltd (the “Company” and together with its subsidiaries, the “Group”) refers to the queries raised by SGX-ST on the Company’s Annual Report for the financial year ended 30 June 2015 and wishes to respond as follows:-

SGX-ST’s Query 1

Listing Rule 1207(19)(b) states that: The annual report must contain enough information for a proper understanding of the performance and financial conditions of the issuer and its principal subsidiaries, including at least the following:— A statement whether and how the issuer has complied with the following best practices on dealings in securities:— An officer should not deal in his company’s securities on short-term considerations.

Company’s Response

The Company has an internal policy in place on dealings in the Company’s securities transactions by the directors, officers and employees.

The Company issues a notification to all directors, officers and employees of the Company informing them that they are prohibited from dealing in the Company’s shares during the period commencing two weeks before the announcement of the Company’s financial statements for each of the first three quarters of its financial year, or one month before the full financial year, as the case may be, and ending on the date of the relevant announcements. The directors, officers and employees are also prohibited from dealing in the Company’s shares on short-term considerations under the policy.

In addition, the Company regularly reminds the directors, officers and employees that, under the provisions of the Securities and Futures Act (Cap 289), it is an offence to deal in the Company’s securities while they are in possession of unpublished, price-sensitive information.

SGX-ST’s Query 2

Guideline 2.4 of 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.

Company's Response

In determining the independence of a Director, the Board takes into consideration Guideline 2.3 and other relevant Guidelines 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. Affected directors do not participate in their own review.

The Board also notes that Mr Wong King Kheng did not have any interested party transactions with the Group or the substantial shareholders that might affect his independence. The Board has observed his performance at Board meetings and other occasions and have no reason to doubt his independence in the course of discharging his duties.

Therefore, the Board is of the view that Mr Wong King Kheng should still be considered independent despite having been on the Board for more than nine years, as there are no circumstances which might affect his judgment. The Board wishes to retain him for his strength of character, objectivity and wealth of useful and relevant experience which would enable him to continue being an effective independent director and an asset to the Group, his long tenure notwithstanding.

SGX-ST's Query 3

Guideline 9.3 of 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 best practice, companies are also encouraged to fully disclose the remuneration of the said top five key management personnel.

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 disclose the aggregate total remuneration paid to the top five key management personnel (who are not directors or the CEO) or otherwise explain the reason(s) for the deviation from the recommendation.

Company's Response

During the financial year under review, the Company had only three key management personnel (who are not directors or the CEO). The total remuneration in aggregate paid to these top key management personnel (who are not directors or the CEO) was S\$667,698.

In view of the confidential nature and sensitivity of key management personnel (who are not directors or the CEO) remuneration and the Company's concern over poaching of key management personnel (who are not directors or the CEO) by competitors, the Company has opted to disclose the remuneration of key management personnel (who are not directors or the CEO) in percentage terms and in incremental bands of S\$250,000.

BY ORDER OF THE BOARD

Ang Kah Hong

Chairman and Managing Director

Date: 28 October 2015

Singapore