

Response to SGX Queries::

Issuer & Securities

Issuer/ Manager	TECKWAH INDUSTRIAL CORPORATION LTD
Securities	TECKWAH INDUSTRIAL CORP LTD - SG0561000464 - 561
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Submitted By (Co./ Ind. Name)	Lo Swee Oi
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Response to Queries from the Singapore Exchange Securities Trading Limited (“SGX-ST”) on the Company’s Annual Report 2017

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 19 April 2018 and respond as follows:-

SGX-ST’s Query

- (a) Listing Rule 715(2) provides that the issuer must engage a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies.

We note that some of the foreign-incorporated subsidiaries and associated companies listed on pages 116 and 118 are not audited by Deloitte & Touche LLP, Singapore or overseas practices of Deloitte Touche Tohmatsu Ltd. Please clarify whether these entities are significant foreign-incorporated subsidiaries and associated companies of the Company.

- (b) Guideline 9.3 of the Code of Corporate Governance 2012 (the “Code”) provides that the Company should, *inter alia*, “name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO)” and “*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 710, please make disclosure as recommended in the Code; or otherwise disclose and explain any deviation from the recommendation.

The Company’s response:

- (a) The Board and Audit Committee have confirmed the suitability of the auditing firms of its foreign-incorporated subsidiaries and associated companies, after taking into consideration the auditing firms’ profile, size, experience and track record. The Board and Audit Committee believe that the appointment of these auditing firms would not compromise the standard and effectiveness of the audit of its foreign incorporated subsidiaries and associated companies.



In addition, Teckwah's foreign incorporated subsidiaries and associated companies listed on pages 116 and 118 that are not audited by Deloitte & Touche LLP, Singapore or overseas practices of Deloitte Touche Tohmatsu Ltd are considered not significant as their individual net tangible assets or its pre-tax profits contribution to the Group represents and accounts respectively less than 20% of the Group's net tangible assets or pre-tax profits as defined in the SGX listing manual.

- (b) The Board is of the view that the disclosure of the remuneration of the Group's key management personnel (who are not directors or the CEO) is not in the best interest of the Company and therefore shareholders. Inter alia, the Board has taken into account the very sensitive nature of the matter, the relative size of the Group, the highly competitive business environment the Group operates in, the competitive pressures in the talent market and the irrevocable negative impact such disclosure may have on the Group.

Given the challenging industry conditions, the Company's view on the disclosure in aggregate of the total remuneration paid to the top 5 key management personnel (who are not directors or the CEO) is that such disclosure is not in the best interest of the Company in the light of the extremely competitive business environment that the Group operates in as well as the competitive pressures in the talent market. The Company wishes to maintain confidentiality of remuneration in the interest of maintaining good morale and a strong spirit of teamwork within the Group.

By Order of the Board

Lo Swee Oi
Company Secretary
Date: 23 April 2018