

RESPONSE TO SGX QUERIES::

Issuer & Securities

Issuer/ Manager

TECKWAH INDUSTRIAL CORPORATION LTD

Securities

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Submitted By (Co./ Ind. Name)

Lo Swee Oi

Designation

Company Secretary

Description (Please provide a detailed description of the change in the box below)

Response to Query from the Singapore Exchange Securities Trading Limited on the Company's Annual Report 2018.

Attachments

[TICL Response to SGX queries on 2018Annual%20Report Final.pdf](#)

Total size =82K MB



Response to Query from the Singapore Exchange Securities Trading Limited (“SGX-ST”) on the Company’s Annual Report 2018

The Board of Directors of Teckwah Industrial Corporation Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the query raised by the SGX-ST on 10 April 2019 and respond as follows:-

SGX-ST’s Query

Guideline 9.3 of the Code of Corporate Governance 2012 (the “Code”) provides that the issuer 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*” 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 the disclosure as recommended in the Code; or otherwise disclose and explain any deviation from the recommendation.

The Company’s response:

As disclosed on page 51 of the 2018 Annual Report, 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 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.

The Company strongly believes that disclosure will have the following negative effects to its business and ultimately to shareholders value:

- It breaches the confidentiality of employees’ remuneration, which is a very sensitive matter, and gives rise to unhealthy pay comparisons and inevitable morale problems.
- In Singapore’s highly competitive human resource environment, personnel with the requisite knowledge, expertise and experience in the area of packaging printing and logistics businesses are in demand, remuneration disclosures will only exacerbate the already challenging problems with recruitment and retention of talent.
- It increases the risk of having our highly experienced and qualified management team being poached individually and/or collectively, therefore affecting both our ability to nurture a sustainable talent pool and ensuring the smooth continuity of leadership to achieve the strategic business and operational objectives of Teckwah Group.

By Order of the Board
Lo Swee Oi
Company Secretary
15 April 2019

