
Issuer & Securities

Issuer/ Manager

TECKWAH INDUSTRIAL CORPORATION LTD

Securities

RESPONSE TO SGX QUERIES::

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No

Announcement Details

Announcement Title

Response to SGX Queries

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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 for the Financial Year Ended 31 December 2019

Attachments

[Ann%20-%20SGX%20enquiry%20on%20annual%20report%20-%20Final.pdf](#)

Total size =426K MB



Response to Query from the Singapore Exchange Securities Trading Limited (“SGX-ST”) on the Company’s Annual Report for the Financial Year Ended 31 December 2019

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 21 April 2020 and responds as follows:-

SGX-ST’s Query

- (a) If there are material discrepancies between an the issuer's interim full year results and its audited full year results, the issuer is required to disclose and explain the material discrepancies via an SGXNET announcement under Listing Rule 704(6).

Please explain the material discrepancy in the values for the total current and non-current liabilities in: (a) the Company's Statement of Financial Position found on page 74 of the Annual Report; (b) the Company's full year financial statements for FY2019 which was issued on 26 February 2020. Please also explain how the Company has complied with Listing Rule 704(6).

The Company’s response:

The Company noted that the differences in the values for the total current liabilities and total non-current liabilities arose due to the reclassifications between amounts in the current liabilities and non-current liabilities, amounting to \$738,000. The reclassifications were made to reflect the timing of expected realisation of the liabilities, at the finalisation of the Annual Report, and there is no impact on the profit or loss, statement of cashflows and other balance sheet items. Total liabilities have remained the same. The amounts are approximately 1.6% of the Group's current liabilities, 3.9% of the Group's non-current liabilities and 1.1% of the Group's total liabilities.

The Company having assessed the reclassifications was of the view that the reclassifications were not significant and has decided not to proceed with the release of an announcement in accordance with Rule 704(6) since the reclassifications were neither materially price-sensitive nor trade sensitive.

SGX-ST’s Query

- (b) Provision 2.4 of the Code of Corporate Governance (the “Code”) provides that the Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company’s annual report.



Pursuant to Rule 710 of the Listing Manual, where there are variations from the Provisions, the issuer must provide the provision from which it has varied, explain the reason for variation, and explain how the practices it had adopted are consistent with the intent of the relevant principle.

In this regard, please clarify how the Company has complied with Provision 2.4 of the Code and in particular, the disclosure of the board diversity policy and progress made towards implementing the board diversity policy, including objectives.

The Company's response:

The Board has endorsed the principle of Board Diversity Policy that the Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business so as to mitigate against groupthink and to ensure that the Group has the opportunity to benefit from all available talents. The Nominating Committee ("NC") in its annual review of Board composition and succession planning, will consider the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. Gaps identified, if any, will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

The Board recognises that a diverse Board is an important element which will drive the Company's strategic objectives for sustainable development. In order to arrive at an optimum balanced composition of the Board from time to time, the Board and the NC will be adopting a formal Board Diversity Policy, setting out its policy and framework for promoting diversity on the Board.

SGX-ST's Query

- (c) Provision 8.2 of the Code provides, inter alia, that the Company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report.

In this regard, please clarify how the Company has complied with Provision 8.2 of the Code and in particular the names and remuneration of employees who are substantial shareholders of the company or immediate family members of a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 in its annual report.

The Company's response:

In order to ensure that the remuneration packages of employees who are immediate family members of a Director or CEO of the Company are adequate but not excessive, the Remuneration Committee has reviewed and approved their remuneration packages, having regard to their contributions as well as the financial performance and commercial needs of the Group.



The Company wishes to clarify that there are only two employees (instead of five as disclosed in the Corporate Governance Report) of the Company whose remuneration exceeded \$100,000 during FY2019, who are immediate family members of a Director or CEO of the Company. Their names, relationship, position and amounts (in bands of \$100,000) are set out below:

Name	Relationship	Position	Remuneration Band
Chua Kee Hin James	Brother of Chua Kee Seng Thomas	Senior Business Operations Director	\$200,000 to \$300,000
Chua Ai Ling	Daughter of Chua Kee Seng Thomas & Mai Ah Ngo	Group Business Development Director	\$100,000 to \$200,000

The Company believes that the remuneration information as disclosed above will be sufficient for shareholders to have an adequate appreciation of the remuneration of employees who are immediate family members of a Director or CEO of the Company.

By Order of the Board

Lo Swee Oi
Company Secretary

Date: 24 April 2020