

SIN GHEE HUAT CORPORATION LTD

Company Registration No:197700475Z

Incorporated in Singapore



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 Sin Ghee Huat Corporation Ltd. (the "Company") 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's Query 1:

Guideline 9.3 of the Code states the company should name and disclose the remuneration of at least top five key management personnel (who are not directors or the CEO) in bands of S\$250,000. 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).

The annual report lists in page 20 details of remuneration of the top three key management personnel. Please disclose in aggregate the total remuneration paid to top five key management personnel (who are not directors or the CEO) as required by Guideline 9.3, or otherwise provide an explanation for deviation pursuant to Listing Rule 710.

The Company's response:

There were only three key management personnel (who are not directors or the CEO) whom the Company considered as key management personnel (who are not directors or the CEO). The total remuneration in aggregate paid to the top key management personnel (who are not directors or the CEO) referred to in the foregoing paragraph as required by Guideline 9.3 was S\$515,000.

SGX's Query 2:

Guideline 9.4 of the Code states that for transparency, the annual remuneration report should disclose the details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year. Disclosure of remuneration should be in incremental bands of S\$ 50,000.

The annual report in page 21 states that the board is of the view that disclosing the names of the employees who are immediately family members of the Directors or CEO in incremental bands of S\$100,000 would be sufficient to provide an overview of their remuneration.

Please disclose the Board's justifications for its opinion, as required by Listing Rule 710, or otherwise comply with Guideline 9.4 above.

The Company's response:

In view of the confidential nature and sensitivity of employee remuneration and the Company's concern over poaching of employees by competitors, the Company has opted to disclose the remuneration of employees (who are immediate family members of the Directors or the CEO) in incremental bands of S\$100,000 rather than in incremental bands of S\$50,000.

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SGX's Query 3:

The annual report states in page 27 that "to the best of our knowledge, no officer of the Company has dealt in the Company's securities on short-term considerations". Please further disclose how the Company has complied with the "best practice", i.e. what measures the Company has taken to comply with the best practice.

The 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.

Pursuant to the policy, the directors, officers and employees of the Company 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.

By Order of the Board

Kua Ghim Siong
Chief Executive Officer
Sin Ghee Huat Corporation Ltd.

19 October 2015