



CHIP ENG SENG CORPORATION LTD.
Co. Reg. No. 199805196H

**RESPONSE TO THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED
("SGX-ST")'S QUERY ON THE ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

The Board of Directors of Chip Eng Seng Corporation Ltd. (the "**Company**") refers to the email received on 18 April 2016 from the SGX-ST in connection with the Company's Annual Report for the financial year ended 31 December 2015 ("**Annual Report**") and wishes to respond as follows:-

SGX-ST's Query:-

As required by Rule 1207(12) of the Listing Manual, please make disclosures as recommended in paragraph 9.2 of the Code of Corporate Governance 2012 (the "**Code**") or otherwise explain the reason(s) for the deviation from the following Code recommendations. We note that the Company had provided the reason for not disclosing details of directors' remuneration in nearest thousand dollars and disclosed the upper band for directors as "\$1,000,000 or more annually", without an upper limit. Please provide an upper limit to the band.

Company's Response:-

On page 49 of the annual report, the Company has stated that it has weighed the advantages and disadvantages of disclosing the individual remuneration of its top 5 key management personnel and is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment it is operating in. The Company believes that the same considerations apply to the salaries of its executive directors, and that disclosing the salaries of its executive directors would similarly be prejudicial to the Company's business interests. Accordingly, the Company had disclosed the salaries of its top 3 executive directors in a single band ("Above \$1,000,000") without stating an upper range to this band. The Company believes that stating a meaningful upper range to this band would allow a competitor to easily decipher the package of each executive director, whilst stating a higher arbitrary upper range would be misleading to shareholders. Accordingly, the Company is of the opinion that both the Company and shareholder interests would be better served without an upper range to this band.

Submitted by Hoon Tai Meng, Executive Director on 20 April 2016 to the SGX-ST.