



CHIP ENG SENG CORPORATION LTD

Co. Reg. No. 199805196H

**RESPONSE TO THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S ("SGX-ST")
QUERY ON ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

The Board of Directors of Chip Eng Seng Ltd. (the "**Company**") refers to the email of 18 May 2017 from the SGX-ST in connection with the Company's Annual Report for the financial year ended 31 December 2016 (the "**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 on page 47 of the Annual Report, the Company had provided the reason for not disclosing details of directors' remuneration in nearest thousand dollars but disclosed remuneration for Mr Chia Lee Meng Raymond as "Above \$1,000,000" without an upper limit. Please provide an upper limit to the band.

Company's response

Mr Chia Lee Meng Raymond is the Executive Chairman and Group Chief Executive Officer of the Company, a key management officer of the Group. The Board had decided not to disclose the upper limit to the band of Mr Chia's remuneration in view of the sensitive and confidential nature of such disclosure. The Board believes such disclosure would pose as a disadvantage to the Group as it operates in a highly competitive environment. Such information was accordingly not disclosed in the Company's Annual Report to protect the interests of the Group.

Submitted by Hoon Tai Meng, Executive Director on 19 May 2017 to the SGX-ST.