

CEI LIMITED
Incorporated in Singapore
(Company Registration No.: 199905114H)

RESPONSES TO SGX-ST QUERIES REGARDING THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The board of directors (the “**Board**”) of CEI Limited (the “**Company**”) refers to the queries raised by Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 15 April 2021 in relation to the Company’s annual report for the financial year ended 31 December 2020 (“**FY2020**”) (the “**Annual Report**”). The Company’s responses to the queries are as follows:

1. SGX-ST Query

Listing Rule 907 requires an issuer to disclose the aggregate value of interested person transactions entered into during the financial year under review in its annual report. The name of the interested person, nature of relationship and the corresponding aggregate value of the interested person transactions entered into with the same interested person must be presented in the prescribed format. Please provide the information as required.

Company’s Response

The aggregate value of interested person transactions (“**IPT**”) entered into during FY2020 is as follows:

Name of interested person	Nature of relationship	Aggregate value of all IPT for the financial period ended 31 December 2020 (excluding transaction less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920) S\$’000	Aggregate value of all IPT for the financial period ended 31 December 2020 conducted under shareholders’ mandate pursuant to Rule 920 (including transactions less than \$100,000) S\$’000
ST Electronics (Satcom & Sensor Systems) Pte. Ltd is a wholly-owned subsidiary of Singapore Technologies Electronics Limited, which is in turn a subsidiary of Singapore Technologies Engineering Limited (“ STEGL ”).	Contract manufacturing services of printed circuit board assembly	–	393
Innospark Pte. Ltd. is a wholly-owned subsidiary of Singapore Technologies Dynamics Pte Ltd, which is in turned wholly owned by STEGL.	Contract manufacturing services of equipment assembly	–	–

Name of interested person	Nature of relationship	Aggregate value of all IPT for the financial period ended 31 December 2020 (excluding transaction less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all IPT for the financial period ended 31 December 2020 conducted under shareholders' mandate pursuant to Rule 920 (including transactions less than \$100,000) S\$'000
STELOP Pte Ltd is a subsidiary of ST Engineering Electronics Ltd, which is in turn wholly owned by STEGL.	Contract manufacturing services of printed circuit board assembly	–	450
SMART Systems Pte Ltd is a subsidiary of Advanced Material Engineering Pte Ltd, which is in turn wholly owned by STEGL.	Contract manufacturing services of equipment assembly	–	–
ST Engineering Land Systems Ltd is a subsidiary of STEGL.	Contract manufacturing services of printed circuit board assembly	–	48

Note: The aggregate value of all IPT for the financial period ended 31 December 2020 were approximately 2.3% of the group's audited net tangible assets, which is lower than the financial thresholds of 3% and 5% as set out in Chapter 9 of the Listing Manual.

2. SGX-ST Query

Provision 8.1 of the Code of Corporate Governance 2018 requires disclosure in the annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel. Please comply with or explain variations from the Provision.

Company's Response

As the Company operates in a highly competitive industry, the disclosure of the names, amounts and breakdown of remuneration of at least the top five key management personnel (who are not directors or the CEO) is not in the best interests of the Company and the employees.

While the names, amounts and breakdown of remuneration of at least the top five key management personnel (who are not directors or the CEO) were not given, on page 75 of the Company's FY2020 Annual Report, the Company has disclosed the (1) aggregate remuneration paid to key management personnel and (2) ranges of gross remuneration of the top five executives (excluding directors) of the Company. Taking into consideration of the abovesaid, the Company is of the view that such disclosures provide a balance between detailed disclosure and confidentiality.

Accordingly, the Company believes that such disclosures and reviews will provide shareholders with an adequate appreciation of the remuneration packages of the top five key management personnel and is consistent with the intent of Principle 8 of the Code of Corporate Governance 2018.

3. SGX-ST Query

From page 14, we note that “Presently, Mr. Tan Bien Chuan and Dr. Tang Martin Yue Nien have served as independent directors of the Company for more than nine years since their first appointments. The Board has subjected this independence to a particularly rigorous review.” and “After taking into account all these factors, and also having weighed the need for Board’s refreshment against tenure for relative benefit, the Board has determined Mr. Tan Bien Chuan and Dr. Tang Martin Yue Nien continue to be considered as independent directors, notwithstanding they have served on the Board for more than nine years from the date of their first appointment.” However, only Dr Tang Martin Yue Nien has been submitted for shareholders’ approval to remain as Independent Director. Please advise on the status of Mr Tan Bien Chuan’s position in the Company with effect from 1 January 2022.

Company’s Response

At the Twenty-first Annual General Meeting of the Company held via webcast on 28 May 2020, shareholders have given the approval by way of two-tier voting for Mr Tan Bien Chuan to remain as an Independent Director for another 3 more years (one term), from May 2020 to April 2023.

BY ORDER OF THE BOARD

Teo Soon Hock
Ng Shoo Yuen
Company Secretaries
16 April 2021