



OXLEY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore under Registration No. 201005812G)

RESPONSE TO QUERIES FROM SGX ON ANNUAL REPORT

The Board of Directors (the "**Board**") of Oxley Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the queries raised by Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") on 3 November 2021 in relation to the Company's Annual Report for the financial year ended 30 June 2021 (the "**Annual Report**"). The Company wishes to provide its response below.

1. Provision 2.4 of the Code of corporate governance 2018 (the "**Code**") states 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."

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code, the provision from which it has varied, explain the reason for variation and provide an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 2.4 of the Code as you have not disclosed your board diversity policy and progress made towards implementing the board diversity policy, including objectives, and there were no explanations provided for in your FY2021 annual report on how it is consistent with the intent of Principle 2 of the Code. Please state if the Company has a formal board diversity policy and clarify how the practices the Company had adopted are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

Company's Response

Reference is made to pages 39 and 40 of the Annual Report where the board diversity policy has been disclosed.

It is stated that the Board comprises directors who have the right core competencies and diversity of experience to enable them, in their collective wisdom, to contribute effectively. The directors as a group provide an appropriate balance and diversity of age, skills, experience and industry knowledge, with core competencies in business, finance, accounting, investment, audit and taxation matters. The Board believes that there is diversity of thought and background in its composition to enable it to make decisions in the best interests of the Group. Nevertheless, the Board recognises that gender is one aspect of diversity and thus its objective is to ensure that female candidates are considered if there is a need for renewal or expansion of the Board. The Board has examined its size and is of the view that it is appropriate for effective decision-making, taking into account the nature and scope of the Group's operations and the requirements of the Group's business. The composition of the Board will be reviewed annually by the Nominating Committee to ensure that there is an appropriate mix of expertise and experience, which the Group may tap for assistance in furthering its business objectives and shaping its business strategies. The Company has thus complied with Provision 2.4 of the Code.

It is stated on page 39 that the independent directors make up half of the Board, and as there is a strong independent element on the Board and given the size of the Board, the Board is of

the view that it is not necessary or cost-effective to have non-executive or independent directors make up a majority of the Board. The Board believes that it has an appropriate level of independence which is consistent with the intent of Principle 2 of the Code.

2. Provision 8.2 of the Code states 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. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.”

It is disclosed in the Annual Report that “Save as disclosed above, there is no employee who is a substantial shareholder of the Company, or is an immediate family member of a director, the CEO or a substantial shareholder of the Company and was paid more than \$100,000 during FY2021 (“immediate family member” means spouse, child, adopted child, stepchild, brother, sister and parent).” Please explain what “Save as disclosed above” entails as well as disclose the relevant information required per provision 8.2 of the Code.

Company's Response

Reference is made to pages 45 and 46 of the Annual Report.

“Save as disclosed above” refers to the table on page 45 which sets out the remuneration of the directors and key management personnel of the Group in bands of \$250,000. As explained on page 46, the Board believes that disclosure of remuneration in bands of \$250,000 fulfils the intent of Principle 8 of the Code, with the commercial interests of the Group in mind.

Mr Ching Chiat Kwong, the Executive Chairman and CEO of the Company, and Mr Low See Ching, the Executive Director and Deputy CEO of the Company, are employees who are substantial shareholders of the Company and their remuneration is disclosed in the table on page 45. It is also disclosed in Note (5) that Mr Shawn Ching Wei Hung is the son of Mr Ching Chiat Kwong. Save for the disclosures in the table, there is no employee who is a substantial shareholder of the Company or an immediate family member of a director, CEO or a substantial shareholder of the Company and was paid more than \$100,000.

By Order of the Board

Ching Chiat Kwong
Executive Chairman and CEO
8 November 2021