

Response to SGX Query on the Company's Annual Report for the Financial Year Ended 31 December 2020

The Board of Directors (the "**Board**") of Captii Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce the following in response to a query raised by Singapore Exchange Securities Trading Limited on 23 April 2021 ("SGX Query") in relation to the Company's annual report for the financial year ended 31 December 2020.

SGX Query:

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "Code"), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company will not be in compliance with Provision 2.4 of the Code given that your chairman is not independent and Independent directors do not make up a majority of the Board, and there were no explanations were provided for in your FY2020 annual report on how it is consistent with the intent of Principle 2 of the Code. Please 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 in its composition to enable it to make decisions in the best interest of the Company.

Company's Response:

As stated on pages 20, 21 and 22 of the Annual Report 2020, the Company has explained its deviations from Provisions 2.2 and 2.4 of the Code as follows:-

"The Board currently comprises five (5) directors, two (2) of whom are Independent Directors and one (1) Non-Executive Director. The Independent Directors make up more than one-third of the Board and Non-Executive Directors make up majority of the Board, thus providing a pivotal role in ensuring that there is balance of power and authority.

Each of the Independent Directors is considered independent of management and free of any relationship that could materially interfere with the exercise of their independent judgement. The current Independent Directors bring a wide range of business and financial experience, skills and knowledge necessary for the effective stewardship of the Group.

As the Executive Chairman is part of the management team, the Board notes that Provision 2.2 of the Code requires that Independent Directors should make up a majority of the Board where the Chairman is not independent, having considered the Board currently comprises majority Non-Executive Directors of which two (2) are independent, the Board viewed that there is a strong independent element on the Board given the size of the Board.

The Board believes that the Executive Chairman has always acted and will continue to act at all times in the best interest of shareholders as a whole and will strive to protect and enhance the long-term shareholder values and the financial performance of the Group.

The Board also aims to maintain a diversity of expertise, industry knowledge, skills, gender, age and diversity of background among the directors, including the Non-Executive Directors' professions and experiences, which enable them to provide independent judgement to the Group's activities.

Having reviewed and considered the composition and diversity of the Board, the Board is of the opinion that, given the scope and nature of the Group's operations, the present size of the Board is appropriate for effective decision making for the Group's business, and that no individual or small group of individuals dominates the decisions of the Board.

The Board has on 26 February 2014 appointed Peng Hock as the Lead Independent Director. The Lead Independent Director will be available to shareholders where they have concerns and for which contact through the normal channels of the Executive Chairman or the Executive Director has failed to resolve their concerns or is inappropriate.

Led by the Lead Independent Director, the Non-Executive and Independent Directors meet without the presence of other directors, where necessary.”

In view of the above, the Board believes that 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 in its composition to enable it to make decisions in the best interest of the Company.

By Order of the Board

Wong Tze Leng
Executive Chairman

26 April 2021