



南方包装集团有限公司
Southern Packaging Group Limited

SOUTHERN PACKAGING GROUP LIMITED
(Company Registration No.: 200313312N)
(Incorporated in Singapore on 30 December 2003)

RESPONSE TO QUERY FROM SGX-ST

The Board of Directors (the “**Board**”) of Southern Packaging Group Limited (the “**Company**”) refers to the query from Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 25 April 2023 in relation to the Company’s Annual Report for the financial year ended 31 December 2022 (“**FY2022**”) released on 12 April 2023 as follows:

Query from SGX-ST

Listing Rule 710A(d) states that an issuer must describe in its annual report its board diversity policy, including the following:

- (d) a description of how the combination of skills, talents, experience and diversity of its directors serves the needs and plans of the issuer.

Please disclose whether and how Listing Rule 710A, specifically Listing Rule 710A(d) has been complied with.

Company’s Response

The Board confirms the compliance with the Listing Rule 710A. As disclosed on page 21 of the Annual Report for FY2022, the Company has adopted a formal Board Diversity Policy, where the size of the Board should be appropriate with no individual or group dominating the Board’s decision-making process. The Board has taken the following steps to maintain or enhance its balance and diversity:

- (a) annual review by the Nominating Committee (“**NC**”) to assess if the existing attributes and core competencies of the Directors are complementary to one another and will enhance the efficacy of the Board; and
- (b) annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which the Board is lacking.

To ensure that the composition of the Board remains appropriately diverse, the NC and the Board have set targets to maintain a majority independent director and to ensure an overall balance in competencies. Such competencies include accounting, legal, sustainability, relevant industry knowledge and risk management experience. This is reflected in the diversity of backgrounds and competencies of the Board, whose competencies range from accounting, legal, relevant industry knowledge, entrepreneurial and management experience, sustainability, and familiarity with regulatory requirements and risk management.

The current Board is made up of two (2) Executive Directors and three (3) Independent Directors. There is a good balance between the Executive and Non-Executive Directors as well as strong independent element on the Board with Independent Directors making up majority of the Board. The three (3) Independent Directors: (i) Mr David Yeung, also Audit Committee Chairman, has extensive and practical accounting and financial management knowledge and had more than 30 years’ experience in public accountancy; (ii) Mr Chia brings with his considerable legal expertise. He has been in private legal practice since 1981 and is currently

serving as independent director in other listed company in Singapore; and (iii) Dr Chung holds considerable business management and leadership skills. The Executive Directors, Mr Pan and Mr Chen have strategic planning skills and their extensive business and industry knowledge is essential for leading and managing the Group's operations. The collective diversity, professionals, backgrounds and skill sets of the Directors serve to optimally support the business operations, effectiveness and sound governance of the Company. Further details of the Board's mix of expertise, background and experience are set out in the Directors' profile on pages 10 and 11 of the Annual Report FY2022.

It was also disclosed on page 22 of the Annual Report for FY2022 that the Board, in concurrence with the NC, is satisfied that the present size of five (5) Directors, age between 60-73 and different nationality, (i) is an appropriate size and with its diversified background and experience provides core competencies such as finance, accounting, legal, business management, industry knowledge and strategic planning experience for the effective functioning of the Board and is appropriate for the current scope and nature of the operations of the Company; and (ii) facilitates effective decision making and ensure the balance of power with no individual or group of individuals dominates the Board's decision-making process.

BY ORDER OF THE BOARD

PAN SHUN MING
Executive Chairman and Chief Executive Officer
8 May 2023