

SEROJA INVESTMENTS LIMITED
(Company Registration Number: 198300847M)
(Incorporated in the Republic of Singapore)
(the “**Company**”)

**RESPONSE TO SGX-ST QUERIES ON THE COMPANY’S ANNUAL REPORT 2022 FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2022**

In response to the query raised by the Singapore Exchange Securities Trading Limited on 8 May 2023 in relation to the Company’s Annual Report 2022 (the “**AR2022**”) for the Financial Year ended 31 December 2022 (the “**FY2022**”), the Board of Directors (the “**Board**”) wishes to provide the following information:

SGX Query 1:

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 had not complied with Provision 8.1(a) of the Code with regards to the disclosure of remuneration, and there were no explanations were provided for in your FY2022 annual report on how it is consistent with the intent of Principle 8 of the Code.

Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company’s remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

Company’s Response:

The Company had disclosed the remuneration payable to each individual Director and the top Key Executive of the Group for services rendered during the FY2022 on Page 15 of the AR2022. On the same page, the Company had also disclosed the names and remuneration of the Directors and Key Executive in remuneration bands of no wider than S\$250,000, instead of disclosing the exact figures of their remuneration, given the competitive conditions in the industry.

As further stated on Page 15 of the AR2022, the Directors of the Company, who were all Non-Executive Directors for FY2022, were only paid Directors’ fees and not other forms of remuneration. In addition, on the same page, the remuneration band, in relation to the Directors of the Company, had been reduced to S\$70,000 to reflect a closer estimate of the highest fees paid to the Directors.

In addition, as disclosed on Page 14 of the AR2022, Non-Executive Directors received Directors’ fees appropriate to their level of contribution, taking into account factors such as effort, time spent and the responsibilities of the Directors. The same page further states that the Directors’ fees were recommended by the Board for shareholders’ approval at each Annual General Meeting. The said page further states that the Company’s Remuneration Committee was mindful of the fact that Non-Executive Directors should not be overcompensated to the extent that their independence may be compromised.

As stated at Page 15 of the AR2022, there was only one key management personnel (who was not a Director or the CEO) whom the Company considered to be a Key Executive of the Group for FY2022. Page 15 of the AR2022 further explains that the remuneration of the Group’s key management personnel generally consisted of primarily a basic salary component and a variable component which comprised bonuses based on the performance of the Company and the Group as a whole and the individual performance of each key management personnel. Furthermore, the same page states the

aggregate amount paid to the Key Executive and breaks down his salary and bonus in percentage figures.

In conclusion, the Board is of the view that the Company's level of disclosure regarding the remuneration of its Directors and Key Executives and its remuneration policies, as explained above, provides a reasonable amount of information to enable shareholders to understand that the remuneration of the Company's Directors and key management personnel is closely tied to the Company's performance. As such, the Board believes that the current disclosures and practices of the Group, as stated in the AR2022, are consistent with the intent of Principle 8 of the Code.

By order of the Board

Lim Poh Chen
Financial Controller
9 May 2023