
INFORMATION RELATING TO QUESTIONS FROM THE SINGAPORE EXCHANGE SECURITIES
TRADING LIMITED ON THE ANNUAL REPORT 2022

The Board of Directors ("**Directors**") of AP Oil International Limited (the "**Company**") wishes to announce information relating to a question raised by the Singapore Exchange Securities Trading Limited on the Annual Report 2022 ("AR 2022") that was released by the Company on 6 April 2023 via SGXNET:

Question 1: *In accordance with Listing Rule 710A(2), the Company is required to disclose, inter alia, the following in relation to its board diversity policy:*

- (a) the Company's targets to achieve diversity on its board;*
- (b) the Company's accompany plans and timelines for achieving the targets; and*
- (c) the Company's progress towards achieving its targets within the timelines.*

Company's Response:

The Board Diversity Policy recognizes that a well-balanced, diverse and inclusive Board is necessary in bringing fresh perspectives and providing constructive challenges to Management. The policy provides for the NC to consider the diversity of factors such as skills, knowledge, professional experience, educational background, gender and age. The skills considered include finance, accounting, inorganic growth experience, risk assessment and management, audit and internal controls, industry knowledge, financial markets etc. The NC will review these factors from time to time and the Board may set specific targets and timelines to achieve a diversity of skills, experience and values necessary to support the Company's long term strategic objectives, to futureproof the Company's business against disruption and meet the pressing challenges of the day.

A skills matrix is used to help identify the gaps. Suitable candidates are identified within personal and corporate contacts as well as through external search process. The Board recognizes that gender diversity is a key criterion hence female candidates are required to be included for consideration.

The Board had opportunity to put this matrix to the test in the 2 years spanning 2019 to 2021, when we embarked on a 2-year search to replace our 2 retiring Independent Directors. Given the Company's position of low gearing and high cash reserves and the long term strategy of inorganic growth, skillsets relating to capital markets, finance, M&A experience, investment, assessment of new ventures and market regulations were targeted to be added to the Board. Numerous candidates of diverse gender, age, ethnicity, and skillsets were canvassed through personal and corporate contacts, and also with help from the Singapore Institute of Directors Board Match service. Finally, two candidates were decided upon and the Board successfully achieved our skill set diversity target in 2021 with the appointment of our two current Independent Directors.

The current Board composition reflects the Company's commitment to Board diversity. The current Board comprises of members with strong professional knowledge, business skillsets and broad experience suitable for the long term interests of the Company. In terms of gender, one out of six Directors is female representing 17% of the Board composition, close to the ratio of female representation in the boards of the SGX top 100 companies as at December 2022. The Board will continue to review the diversity of the Board on a year to year basis to ensure that the skillset present on the Board is suitable to the needs of the Company.

The NC will take the principles of the diversity policy into consideration when determining the optimal composition of the Board, and when recommending any proposed changes to the Board. On the recommendation of the NC, the Board may set measurable objectives and specific diversity targets, with a view to achieving an optimal Board composition, and these objectives and specific diversity targets may be reviewed by the NC from time to time to ensure their appropriateness.

The Board remains committed to implementing its Board diversity policy and any further progress made towards the implementation of such policy will be disclosed in future Corporate Governance reports, as appropriate.

By Order of the Board

Ho Chee Hon
Group Chief Executive Officer
20 April 2023