



MDR Limited

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200009059G)

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## RESPONSE TO SGX-ST'S QUERIES ON ANNUAL REPORT 2020

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The Board of Directors of mDR Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s Annual Report (“**FY2020 Annual Report**”) for the financial year ended 31 December 2020 (“**FY2020**”).

The following information is in response to the queries received from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in relation to Company’s FY2020 Annual Report.

### SGX Query

1. **Listing Rule 1207 (10) requires the issuer’s board to comment on the adequacy and effectiveness of the issuer’s internal controls (including financial, operational, compliance and information technology controls) and risk management systems. We note that it is stated that “the board with the concurrence of the ARC is of the opinion that there are adequate and effective internal controls to address the financial, operational, compliance and IT controls of the Group in its current business environment. Please provide the board’s comment on the adequacy and effectiveness of the issuer’s risk management systems per compliance with Listing Rule 1207 (10).**

### Company’s Response:

Based on the internal controls and risk management systems established and maintained by the Group, work performed by the internal and external auditors, reviews performed by Management, the Board, with the concurrence of the Audit and Risk Committee, is of the opinion that the Group’s internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2020.

### SGX Query

2. **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. Practice Guidance 8 of the Code states that appropriate remuneration disclosures for individual directors, CEO and KMP should be made to provide sufficient transparency and information to shareholders regarding remuneration matters. The remuneration disclosures for individual directors and the CEO should specify the names, amounts and breakdown of remuneration. We note that the Company had not disclosed each individual director and CEO’s exact remuneration. Instead, the Company disclosed the remunerations in bands of S\$250,000. Please explain if this disclosure provides sufficient transparency and information to shareholders and if it is consistent with the intent of Principle 8 of the Code.**

**Company's Response:**

The Company has disclosed the following in the FY2020 Annual Report (on pages 44 - 45):

- a. names and remuneration breakdown of individual Executive Directors (including the CEO) in bands of S\$250,000;
- b. names and remuneration breakdown of individual Independent Non-Executive Directors in bands of S\$100,000; and
- c. names and remuneration breakdown of the top five key management personnel (who are not Directors or the CEO) in bands of S\$250,000 and in aggregate the total remuneration paid to these key management personnel.

The policies and practices adopted by the Company in relation to remuneration, relationships between remuneration, performance and value creation, and procedure for setting remuneration, in relation to the Executive Directors and key management personnel are set out on pages 41 - 45 of the FY2020 Annual Report.

The Board believes that the disclosure of the exact quantum of the remuneration of individual Directors (including the CEO), may be prejudicial to Group's business interests, given the confidentiality of remuneration matters and the competitive nature of the core business of the Group. This is also due to the sensitivity of remuneration matters and in the interest of maintaining good morale and a strong teamwork spirit within the Group. Moreover, information on the compensation paid to all Directors (including Executive Directors) is summarily provided in Note 33 to the Financial Statements of the Financial Report. The Board also responds to questions from the shareholders on Company's remuneration policy and package in the annual general meeting.

Taking into account the reasons for the deviation on disclosure of the exact quantum of the remuneration of the Directors, the disclosure of the Directors' remuneration in various bands in the FY2020 Annual Report, and the disclosures on Company's remuneration policies and practices, the Board believes that there is sufficient transparency and information provided to shareholders 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, consistent with the intent of Principle 8 of the Code.

**BY ORDER OF THE BOARD**

**Madan Mohan**  
*Company Secretary*

28 April 2021