



(Company Registration No. 201424372N)  
(Incorporated in Singapore)  
(the “Company”)

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## RESPONSE TO SGX QUERIES ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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The board of directors (the “Board”) of **MM2 Asia Ltd** (the “Company”, and together with its subsidiaries, the “Group”) wishes to announce the following in response to queries raised by Singapore Exchange Securities Trading Limited (“SGX-ST”) with respect to the Company’s AR FY2021.

### SGX-ST Query

- a) **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 2.2 of the Code as independent directors do not make up a majority of the Board where your Chairman is not independent, and there were no explanations were provided for in your FY2021 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 and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.**

### The Company’s Response

As disclosed on Page 27 of the AR - Although the Company does not comply with Provision 2.2, nevertheless, the board is made up of the majority of Non-Executive Directors which is in compliance with Provision 2.3. Therefore, the Board and the NC are satisfied that the Board has substantial independent elements to ensure that objective judgment is exercised on corporate affairs as matters requiring the Board’s approval are discussed and deliberated with participation from each member of the Board and all major decisions are made collectively. The composition of the Board is as follows:

Mr Melvin Ang (Executive Chairman and Executive Director)  
Mr Tan Liang Pheng (Lead Independent Director)  
Mr Jack Chia (Independent and Non-Executive Director)  
Mr Thomas Lei (Independent and Non-Executive Director)  
Mr Terry Mak (Non-Executive Director)  
Mr Dennis Chia (Non-Executive Director)

The NC reviews annually the independence of each Director taking into account the existence of relationships or circumstances, including those provided in the Code. Every Independent and Non-Executive Director is required to complete a confirmation of independence form drawn up based on Principle 2 of the Code for the NC’s review and recommendation to the Board.

Taking into consideration the foregoing, the NC has determined that Mr Tan Liang Pheng, Mr Jack Chia and Mr Thomas Lei, to be independent. Each of these Directors has also confirmed their independence. The Board concurred with the views of the NC. Each of the Directors abstained from the deliberation of his own independence. The Company recognises that independent directors may over time develop significant insights in the Group’s business and operations, and can continue to provide noteworthy and valuable contributions objectively to the Board as a whole. The independence of the independent directors must be based on the substance of their professionalism, integrity, and objectivity, and not merely based on form; such as the number of years which they have served on the Board.

- b) 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 2.4 of the Code as you have not disclosed your board diversity policy and progress made towards implementing the board diversity policy, including objectives, and there were no explanations were provided for in your FY2021 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 and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

### **The Company’s Response**

The Board is committed to attracting experienced individuals to serve as Directors, regardless of their gender, race, ethnicity, religion, age or other aspects of diversity. To this end, the Company endeavours to ensure that the Board comprises individuals with diverse experience and expertise who, as a group, will provide an appropriate balance and range of skills, experience, perspectives and knowledge for effective stewardship of the Group’s business.

As disclosed on Page 28 of the AR - The Board and Board Committees are made up of a team of high calibre leaders whose diverse expertise and experience in accounting and finance, business administration, strategic planning, business management, legal, regulatory and media knowledge. Accordingly, the current Board comprises persons who as a group, have core competencies necessary to lead and govern the Group effectively. The Directors’ objective judgment, collective experience and knowledge are invaluable to the Group and this has allowed for the useful exchange of ideas and views.

While the Board has not implemented a fixed diversity policy, the Board and the Nominating Committee (“NC”) are satisfied that the current Board composition has the appropriate mix of expertise and experience that as a group, provides an appropriate balance and diversity of skills, experience and knowledge of the Company, as disclosed on Page 28 of the AR.

As disclosed on page 28 of the AR - The Company does not adopt the board diversity policy, whereas it has embraced all aspects of diversity in the current Board composition. Although there is currently no female director appointed to the Board, the Board recognises the importance and value of gender and age diversity. However, the Board is collectively of the view that it should not be considered as a requirement of selection of potential candidates. The right blend of skills, industry knowledge, relevant experiences, suitability, shall remain as priority.

The Nominating Committee is charged with the responsibility of determining annually whether or not a director is independent. Each independent director is required to complete a confirmation of independence drawn up based on Principle 2 of the Code. He is required to disclose to the Board any relationships or circumstances which are likely to affect, or could appear to affect, his judgment, as disclosed on Page 32 of the AR.

The Board regularly examines its composition and size to assess the optimal number needed to facilitate robust engagement and effective decision-making. Board membership is periodically renewed with the appointment of new members with the right mix of skills, talents and experience, and who have the capacity to contribute effectively. Given the above, the Board and the NC are satisfied that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

As disclosed on Page 31 of the AR - The Board and the NC have endeavoured to ensure that the Directors appointed to the Board possess the relevant experience, knowledge and expertise critical to the Group’s business.

- c) Listing Rule 1207(20) requires, inter alia, that where proceeds are used for general working capital purposes, the issuer must announce a breakdown with specific details on the use of proceeds for working capital. We note that the Company has disclosed on page 50 of the Annual Report that \$0.23 million has been applied towards general working capital. Please provide a breakdown with specific details in this regard.

**The Company's Response**

The \$0.23 million has been applied towards general working capital for project related expenses of approximately \$220,000 and administrative expenses of approximately \$10,000.

By Order of the Board

Melvin Ang Wee Chye  
Executive Chairman  
28 July 2021