



**MM2 ASIA LTD.**

(Company Registration No. 201424372N)

(Incorporated in Singapore)

(the "Company")

## **SGX QUERIES PERTAINING TO THE COMPANY'S ANNUAL REPORT ("AR") FOR FINANCIAL YEAR ENDED 31 MARCH 2020 ("FY2020")**

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 with respect to the Company's AR for FY2020.

### SGX 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 2.4 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 FY2020 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.

### Company Response to SGX Query (a)

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 27 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 26 of the AR.**

Each director has been appointed on the strength of his calibre, experience and expertise to contribute to the development of the Company. The Board currently has six members, comprising one Executive Chairman and Executive Director and five Non-Executive Directors, three of whom are independent. Majority of the Board is made up of Non-Executive Directors which is in compliance with provision 2.3 of the Code. Although the Independent Directors of the Company do not make up a majority of the Board, the Board and the NC are satisfied that the Board has substantial independent elements to ensure that objective judgment is exercised on corporate affairs. 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 **as disclosed on Page 26 of the AR.**

**As disclosed on page 27 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 candidate. 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 the 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 30 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 interest of the Company.

**As disclosed on Page 29 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.***

SGX Query (b)

Listing Rule 1207(10C) requires issuers to disclose the board's 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 the Board's comment on page 22 does not extend to risk management systems. Please comply accordingly.

Company Response to SGX Query (b)

The Board has considered the internal controls established and maintained by the Group, work performed by the external auditors in the course of their statutory audit (to the extent as required by them to form an audit opinion on the statutory financial statements), reviews performed by Management and various Board committees, and the assurances received from the CEO and CFO. Based on the aforesaid, the Board, with the concurrence of the AC, is of the opinion that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective.

**As disclosed on Page 41 of the AR - *The AC is satisfied that the internal audit function is staffed by suitably qualified and experienced professionals with the relevant experience to perform its function effectively.***

By Order of the Board

Melvin Ang Wee Chye  
Executive Chairman  
16 September 2020