



MDR Limited

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

RESPONSE TO SGX-ST'S QUERIES ON ANNUAL REPORT 2022

The Board of Directors of mDR Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s Annual Report (“**FY2022 Annual Report**”) for the financial year ended 31 December 2022 (“**FY2022**”).

The following information is in response to the queries received from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in relation to Company’s FY2022 Annual Report.

SGX Query:

1. **Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in 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 of the Code with regard to the disclosure of remuneration of the Group’s top key management personnel (who are not the Directors or the CEO), and there were no explanations provided for in your FY2022 annual report on how it is consistent with the intent of Principle 8 of the Code.

We refer to page 50 which states amongst others that, “On the disclosure of remuneration of the Group’s top key management personnel, the Company is of the view that it would not be in its best interest to make such disclosure on a named basis taking into account the highly competitive conditions for talent and to support the Company’s efforts in attracting and retaining employees considering the sensitivity with regard to remuneration.”

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:

Provision 8.1 of the Code requires that the company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual director and the CEO; and (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.

The Company has disclosed the following in the FY2022 Annual Report (pages 49 - 50):

- a. names, amounts and remuneration breakdown of each individual Director (including the CEO);
- b. remuneration breakdown of the Group's top 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; and
- c. names and remuneration breakdown of employees who are immediate family members of a Director in bands of S\$100,000.

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 Directors and key management personnel are set out on pages 46 - 48 of the FY2022 Annual Report.

The Board is of the view that it would not be in Group's best interest to make disclosure of remuneration of the Group's top key management personnel on a named basis taking into account the competitive conditions for talent and to support the Group's efforts in attracting and retaining employees considering the sensitivity with regard to remuneration and in the interest of maintaining good morale and a strong team spirit. Moreover, information on the remuneration paid to Directors and Group's key management is summarily provided in Note 33 to the Financial Statements in the FY2022 Annual 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 disclosure of the Directors' and key management personnel's remuneration in the FY2022 Annual Report, the disclosures on Company's remuneration policies and practices, and the reasons for the deviation on disclosure of remuneration of the key management personnel, the Board is of the view that there is sufficient 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, consistent with the intent of Principle 8 of the Code.

SGX Query

2. **Listing Rule 1207(19)(c) states that a listed issuer and its officers should not deal in the listed issuer's securities during the period commencing two weeks before the announcement of the company financial statements for each of the first three quarters of its financial year and one month before the announcement of the company's full year financial statements (if the issuer announces its quarterly financial statements, whether required by the Exchange or otherwise), or one month before the announcement of the company's half year and full year financial statements (if the issuer does not announce its quarterly financial statements) (the "Blackout Period").**

At page 56, it was disclosed that, "The Company circulates a notice on a half-yearly basis to its Directors and employees who have access to unpublished price sensitive information advising them not to deal in the Company's securities during the period commencing one month before the announcement of the Company's half-year and full year results and ending on the date of the announcement of the relevant results."

Please confirm whether the Company, directors and employees of the Company are subject to the prohibition pursuant to Listing Rule 1207(19)(c) (i.e., including buybacks). Please clarify how the Company informs and reminds all the other Directors and employees, who do not have access to unpublished price sensitive information, about the restriction in dealing in the Company's securities during the Blackout Period.

Company's Response:

The Board confirms that the Company, Directors and employees of the Company are subject to the prohibition pursuant to Listing Rule 1207(19)(c) (i.e., including buybacks).

Following the amendments to the quarterly reporting framework, the Company has adopted half-yearly and full-year financial statements announcements. The Company sends a notice to all Directors, and employees who may have access to unpublished price sensitive information, to inform and remind them not to deal in the Company's securities during the period commencing one month before the scheduled announcement of the Company's half-year and full year financial statements announcements (the "**Blackout Period**"). The aforesaid notice also requires relevant employees to inform their respective departments and employees who do not have access to unpublished price sensitive information, about the restriction in dealing in the Company's securities during the Blackout Period.

BY ORDER OF THE BOARD

Madan Mohan
Company Secretary

19 May 2023