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**SGX QUERIES PERTAINING TO THE COMPANY'S ANNUAL REPORT 2019**

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The Board of Directors (the "Board") of Acma Ltd (the "Company") wishes to announce the following in response to queries raised by Singapore Exchange Securities Trading Limited with respect to the Company's Annual Report 2019 (the "AR").

**SGX Query 2 (a)**

Listing Rule 1207(10) 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**

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.

**SGX Query 2 (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 FY2019 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**

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.

While the Board has not implemented a fixed diversity policy, the Board and the Nominating Committee ("NC") are satisfied that the Board 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. 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 five members, comprising one Executive Director and four Non-Executive Directors, three of whom are independent. As disclosed on page 14 of the AR, 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 according to the guidelines stated in 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.

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.

## **SGX Query 2 (c)**

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 Provisions 8.2 of the Code with regards to the disclosure of remuneration (and in particular, whether the disclosures pertaining to employees who are substantial shareholders or immediate family members of substantial shareholders), and there were no explanations were provided for in your FY2019 annual report on how it is consistent with the intent of Principle 8 of the Code. 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 Response**

The remuneration of the top 4 key management personnel (who are not Directors) is disclosed within the two remuneration bands (below S\$250,000 and S\$250,000 to S\$499,999) and their aggregate remuneration of S\$1,015,000 are disclosed in Page 20 of the AR. As further explained, the disclosure was not on a named basis as recommended by the Code as the Board is of the opinion that full disclosure of such information would not be in the interest of the Company.

It is also stated on Page 21 of the AR that “No employee of the Company and its subsidiaries was an immediate family member of a Director, CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 in the financial year ended 31 December 2019”.

The Company confirms that except for Mr. Quek Sim Pin who is the CEO of the Company (for which remuneration details have been set out in Page 20 of the AR), there were no substantial shareholders who were employees of the Company.

The Board is of the view that the information on Directors’ and key management personnel’s remuneration disclosed in the AR would be sufficient for shareholders to have an adequate understanding of the Company’s remuneration policies and practice. The Board believes that the disclosure provided is in the best interest of the Company given the highly competitive business environment and allowing Directors and key management personnel to maintain some degree of personal confidentiality on remuneration matters.

## **By Order of the Board**

Quek Sim Pin  
Executive Chairman

18 June 2020