

# CORPORATE GOVERNANCE

## Introduction

Mewah International Inc. ("**Mewah**") or the ("**Company**") was listed on 24 November 2010 on the Mainboard of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

Mewah has adopted the Code of Corporate Governance 2018 (the "**Code**") issued by the Monetary Authority of Singapore as the benchmark for its corporate governance policies and practices. Mewah is pleased to report that the Company has complied, in all materials aspects, with the principles and provisions set out in the Code. Appropriate reasons have been disclosed for any deviations from any principles and/or provisions.

## Mewah's Values

The Board of Directors (the "**Board**") of Mewah considers good corporate governance as a fundamental part of its responsibilities to protect and enhance stakeholder value whilst pursuing sustainable growth in the financial performance of the Company and its subsidiaries (the "**Group**").

Mewah is committed to upholding and maintaining high standards of corporate governance to promote corporate transparency and to enhance stakeholder value. Toward this, Mewah has put in place policies and processes to enhance corporate performance, accountability, and sustainability.

The Board works with the management to ensure that these values underpin its leadership of the Company and guides the management and employees at all levels of the organisation in their respective roles within the Group.

In 2022, the Company was accepted by SGX Fast Track, which recognised the efforts and achievements of listed issuers which have upheld high standards of corporate governance and maintained a good compliance track record.

## Corporate Governance Framework



# CORPORATE GOVERNANCE

## I. BOARD MATTERS

### THE BOARD'S CONDUCT OF ITS AFFAIRS

#### PRINCIPLE 1

**The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.**

#### Provision 1.1

##### **Board Responsibility**

Mewah is headed by an effective and experienced Board that works closely with the management for the long-term success of the Group. The Board is collectively responsible for providing entrepreneurial leadership, setting strategic objectives and constantly seeking protection to the stakeholder value and enhancing the returns of the Group. Through the Board's leadership, the Group's businesses are expected to achieve sustainable and successful performance over the long-term and is resilient in the face of the demands of a dynamic, fast-changing environment.

During FY2022, similar to previous financial year, besides carrying out its statutory responsibilities, the Board also performed the following roles:

1. Providing entrepreneurial leadership and guidance, setting strategic directions and long-term goals of the Group to ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
2. Guide the formulation of the Group's overall long-term strategic plans and performance objective;
3. Ensuring that appropriate and adequate systems of internal control and risk management processes are in place and establish a framework of prudent and effective controls which enable risks to be assessed and managed effectively;
4. Review and approve the Group's strategic and business plans including major funding proposals;
5. Monitor the performance of the Group against plans and goals;
6. Consider sustainability issue, and in particular environmental and social factors in the formulation of business strategies and corporate policies of the Group; and
7. Monitor and ensure compliance with such laws and regulations as may be relevant to the business.

The Board has put in place clear written terms of reference for all directors, which outline their duties and authorities with appropriate tone-from-the-top setting out the desired organisational culture to accomplish a shared goal. The Nominating Committee will also send newly appointed directors the latest available version of Directors' Toolkit issued by the Singapore Institute of Director to ensure proper accountability within the Group.

Whilst providing leadership and strategic direction, the Board gives due recognition to the expectations of different stakeholders such as shareholders, lenders, employees, government agencies, suppliers, customers, competitors, business partners, and service providers. The Board is responsible for ensuring that the direction set is aligned to the Group's established values and standards, and due weightage is given to sustainability. It is also responsible for reviewing the management performance on a regular and continual basis.

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## *Conflict of Interest*

If any directors have personal interest in a decision being made by the Board, they will recuse themselves from deliberations and abstain from voting in relation to any such resolution relating to such matter.

## **Provision 1.2**

### **Board Orientation, Induction and Training**

Directors are provided with opportunities to undergo relevant trainings and to continually improve the Board and Board Committees' performance. The directors will attend to conferences, seminars or any training programmes in connection with their duties as Directors at the expense of the Company.

Newly appointed director will receive from the Nominating Committee ("**NC**"), the latest available version of Directors' Toolkit issued by the Singapore Institute of Director to ensure proper accountability within the Group.

The Group will also conduct an orientation programme for new directors to familiarise themselves with the business activities of the Group, its strategic direction, and corporate governance practices. The evaluation of the new director's past directorship, qualification, experience, and expertise by NC will ascertain the necessity of the prescribed training. For a new director without prior experience in listed companies, the Group will arrange him/her to undergo a prescribed training programmed conducted by the Singapore Institute of Directors and such arrangement will be made within one year from the date of his/ her appointment to the Board in accordance with SGX-ST listing Rule 210 (5) and Practice Note 4D respectively.

The Board as a whole is kept up to date from time to time on pertinent business development, including the key changes in the relevant regulatory requirements and financial reporting standards, corporate governance, sustainability issues, industry specific knowledge business initiatives, and challenges on matters relating to the Group and its businesses to enable directors to properly discharge their duties as Board or Board Committee members. The Group also holds meetings for Business Plan discussion at least twice a year for the Board to review the Group's future plans and proposals for new business opportunities.

New releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority ("ACRA") and news articles which are relevant to the Group were circulated to all the directors. Annually, the Group will arrange for external auditors to update all directors on new and revised financial reporting standards when applicable to the Group. Directors are given regular trainings and updates on specific matters relevant to the Group and its businesses to ensure they carry out their role effectively.

To facilitate ongoing knowledge enhancement for existing directors, the following orientations and trainings were provided during the year to different Directors:

- Updates on SGX Sustainability Reporting on Climate and Board Diversity;
- The Path to Net Zero;
- Human Capital Leadership Institute's Singapore Business Leaders Programme (SBLP);
- Reconstructing The Future;
- London Business School: Entrepreneur 3.0 Programme 2022 Leadership Retreat;
- Virtual Masterclass with INSEAD;

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In addition, all the Board members had completed the mandated and SGX recognised sustainability training course organised by the Singapore Institute of Director as required by the enhanced SGX sustainability reporting rules announced in December 2021.

## **Provision 1.3**

### **Matters requiring the Board's decision and approval**

The Board sets the strategic direction for the management, and the management handles the day-to-day operational decisions. The Group has adopted internal guidelines governing matters that required the Board's approval which has been clearly communicated to the Management. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those prescribed limits to Board Committees and the key management. This delegation of authority matrix have been reviewed by the Board on annual basis and accordingly will be revised when necessary.

The following matters of strategic importance have been reserved for the Board's decision:

- Group's strategy and business plans of the Group;
- Capital expenditure, investments and divestments exceeding certain material limits;
- All capital-related matters including increase, decrease, or re-organisation;
- Dividend policy and dividend payments;
- Risk strategy, internal controls, and risk limit strategies and execution;
- Approval of credit limits and trade terms with related parties;
- Adoption of Interested Persons Transaction Mandate and Share Purchase Mandate;
- Annual and half-yearly results announcements;
- Annual reports;
- Sustainability reports;
- Appointment of directors and key management personnel;
- Succession planning for directors and key management personnel; and
- Any other matters as prescribed under the relevant legislations and regulations, as well as the provisions of the Company's Memorandum and Articles of Association.

## **Provision 1.4**

### **Delegation by the Board**

To assist the Board in the execution of its duties and to optimise operational efficiency, the Board has delegated specific functions to the Board Committees, namely Audit Committee ("**AC**"), Remuneration Committee ("**RC**") and Nominating Committee ("**NC**"). Each of the Board Committees are formed with clear written terms of reference setting out their compositions, authorities, duties and procedures governing the manner in which it is to operate and how decisions are to be taken. These terms of reference are reviewed on an annual basis or from time to time when it is necessary, along with the committee structures and membership to ensure their continued relevance, taking into consideration the changes in the governance and regulatory environment. Any amendment to the terms of reference for any Board Committee requires the approval of the Board.



# CORPORATE GOVERNANCE

Further information on the Board Committees is set out in the respective sections concerning Board Committees in this Annual Report.

Composition of Board and Board Committees:

Name	Board	Audit Committee	Nominating Committee	Remuneration Committee
<b>EXECUTIVE DIRECTORS</b>				
Dr Cheo Tong Choon @ Lee Tong Choon	Chairman	-	Member	-
Ms Michelle Cheo Hui Ning	Member	-	-	-
Ms Bianca Cheo Hui Hsin	Member	-	-	-
<b>INDEPENDENT DIRECTORS</b>				
Dr Foo Say Mui (Bill)	Lead Independent	-	Chairman	Chairman
Mr Robert Loke Tan Cheng	Member	Chairman	Member	Member
Datuk Dr Fawzia Binti Abdullah	Member	Member	Member	-
Tan Sri Dato' A Ghani Bin Othman	Member	Member	-	Member

## **Provision 1.5**

### **Board Meeting and Attendance**

After the amendments in Rule 705 of the Listing Manual of the Singapore Exchange Securities Trading Limited made effective from 7 February 2020, the Group is no longer required to release its unaudited financial statements on a quarterly basis. However, the Board continued to have its periodical Board of Directors' meetings as per its existing practice to convene scheduled meetings on a quarterly basis to review the Group's operations and to ensure effective discharge of their responsibilities. The Board Meetings to approve the half yearly financial results are held within 45 days after the end of the first half of the financial year, and not later than 60 days after the end of the financial year for the full year financial results. Ad hoc meetings will be convened between the scheduled meetings as and when necessary to attend to any pressing matters requiring the Board's consideration and decision. Under the Company's Memorandum and Articles of Association, directors who are unable to attend any meeting in person may participate via teleconference or video conference. Decisions of the Board and Board Committees may also be obtained via circular resolutions.

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In 2022, all Board and committees' meetings were conducted via video conference. The Directors' attendance at the Board, and Board Committees meetings during the financial year ended 31 December 2022 is set out as follows:

Name	AGM	Board Meeting	Audit Committee Meeting	Nominating Committee Meeting	Remuneration Committee Meeting
<b>EXECUTIVE DIRECTORS</b>					
Dr Cheo Tong Choon @ Lee Tong Choon	1/1	4/4	4/4*	2/2	2/2*
Ms Michelle Cheo Hui Ning	1/1	4/4	4/4*	2/2*	2/2*
Ms Bianca Cheo Hui Hsin	1/1	4/4	4/4*	2/2*	2/2*
<b>INDEPENDENT DIRECTORS</b>					
Dr Foo Say Mui (Bill)	1/1	4/4	4/4*	2/2	2/2
Mr Robert Loke Tan Cheng	1/1	4/4	4/4	2/2	2/2
Datuk Dr Fawzia Binti Abdullah	1/1	4/4	4/4	2/2	2/2*
Tan Sri Dato' A Ghani Bin Othman	1/1	4/4	4/4	2/2*	2/2
<b>No. of meetings held:</b>	1	4	4	2	2

\* Attendance by invitation of the Committee

## Multiple Board Representations

All directors are required to declare their board representations. When a director has multiple board representations, the NC will consider whether the director is able to adequately carry out his/her duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments. Further disclosure on each director's present and the past five years of directorship in a listed company have also been made from page 10 to 13 of "Board of Directors".

The NC has reviewed Multiple Board Representation Confirmation received from all directors and is satisfied that directors has been able to devote sufficient time and attention to the affairs of the Group to adequately and satisfactory discharge their duties as director of the Group, notwithstanding with their multiple appointments and commitments.

## Provision 1.6

### Access to complete, adequate, and timely information

The Group recognises an accurate and timely flow of relevant information is critical for the Board to be effective in the discharge of its duties. Prior to each Board and Board Committee meeting, and where needed, the management provides directors with relevant, complete, adequate and timely information in both soft and hard copies. The Board papers and related materials e.g., background or explanatory information are sent to directors at least three calendar days before the Board meeting so that the Board members may better understand the matters prior to the Board meeting to further constructive discussions, and for queries to be raised in the meeting. However, confidential and/or sensitive matters may be tabled at the meeting itself or discussed without any papers distributed. When necessary, senior management and/ or the relevant employees will be invited to attend Board meetings to answer any queries from Directors.

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## Provision 1.7

### **Independent Professional Advice and Access to Management**

Directors can request for additional information and have full access to Management. Management provides information requested by Directors for their meetings and decision making in a timely manner. Should there be a need to obtain independent professional advice on matters relating to the businesses of the Group or issues affecting duties of the Directors, the Company will arrange for the appointment of relevant profession advisers at its own cost.

### ***Company Secretary***

The directors have unrestricted access to the Company Secretary to facilitate direct flow of information when necessary. The Company Secretary assists the Chairman and the Chairpersons of each Board Committee in the development of the agendas for the various Board and Board Committee meetings to ensure that the Board procedures are observed, and that applicable rules and regulations are complied with. The Company Secretary or his nominees are required to attend all General, Board, and Board Committees' meetings and prepares minutes of meetings. The Company Secretary or his nominees is also responsible for, among other things, ensuring that the relevant rules and regulations, including requirement of the Companies Act, Securities and Futures Act, and the Listing Rules of the SGX-ST, are complied with.

The appointment and removal of the Company Secretary are subject to the approval of the Board.

## **BOARD COMPOSITION AND GUIDANCE**

### **PRINCIPLE 2**

**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.**

### **Provision 2.1, 2.2, 2.3**

#### **Provision 2.1 Board Independence**

#### **Provision 2.2 Independent Directors make up a majority of the Board where the Chairman is not Independent**

#### **Provision 2.3 Non- Executive Directors to make up a majority of the Board**

Currently, the Board consists of seven directors, of whom four are considered independent by the Board. With majority of the Board made up of non-executive independent directors, including independence from the substantial shareholders or officers of the Company, the Board is capable of exercising independent and objective judgement on corporate affairs of the Group. It is also ensuring that key issues and strategies are critically reviewed, constructively challenged, fully discussed, and thoroughly examined.

The independence of each director is assessed and reviewed annually by the Nominating Committee ("NC"). In the review and deliberation of the independence of the four non-executive independent directors, the NC has considered the applicable Listing Rule 210(5)(d) and the guideline for independence set out in Provision 2.1 of the 2018 Code, including whether a director has relationship with the Group or any of its related company, its substantial shareholders or its officers and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the interest of the Group.

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Each non-executive independent director is required to complete an annual declaration to confirm his/her independence based on the applicable Listing Rules and the guidelines as set out in the 2018 Code. The directors must also confirm whether they consider themselves independent despite not having any relationship identified under the applicable Listing Rules and the 2018 Code.

For the year under review, the NC has assessed and is satisfied that all the four non-executive independent directors, namely Dr Foo Say Mui (Bill), Mr Robert Loke Tan Cheng, Datuk Dr Fawzia Binti Abdullah, Tan Sri Dato' A Ghani Bin Othman are independent as they do not have any relationship with the Group, its related corporations, its substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Group, and they are able to exercise objective judgment on corporate affairs independently from management and its substantial shareholders.

The Group has complied with the relevant provisions as majority of the Board members are non-executive independent directors.

### Provision 2.4

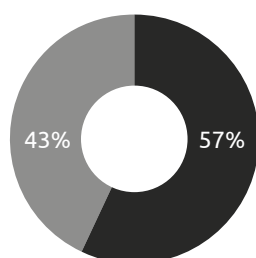
#### **Board Size, Composition, Diversity and Balance**

For FY 2022, the NC conducted its annual review on the composition and size of the Board including the skills, knowledge, experience, gender, age, and core competencies and concluded that they were appropriate, taking into account the scope and nature of the operations of the Group. The NC also noted that there was adequate diversity among the Board members. The Board comprised members of both genders and from different backgrounds whose core competencies, qualifications, skills and experience met with the requirements of the Group.

As part of the annual assessment process, the NC reviewed the competency matrix of the Directors, taking into account their respective areas of specialisation and expertise and was satisfied that members of the Board possess the relevant core competencies in the areas of the Group's food and agri-business and geographical operations, as well as in the areas of strategy formulation, manufacturing, marketing, legal, taxation, finance, accounting, and corporate compliances. With their varied experience in the different industries and areas of expertise, independent directors play a crucial role in challenging the Board to develop strategies in the best interests of the Group. They also contribute independent perspectives in reviewing the performance of the management in meeting agreed goals and objectives, and performance monitoring. The Board is in concurrence with the NC's assessment.

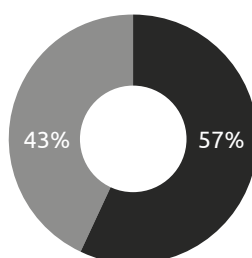
Details of the Board composition are as follows:

**Board Independence**



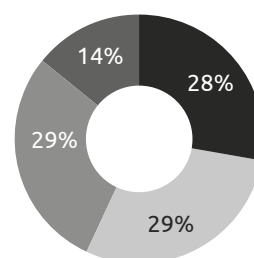
● Executive Directors  
● Independent Directors

**Board Gender Diversity**



● Female  
● Male

**Directors' Age Group**



● 40-49 ● 70-79  
● 60-69 ● 80-89

# CORPORATE GOVERNANCE

## ***Board Diversity Policy***

The Group has adopted a Board Diversity Policy which recognises that a diverse Board will enhance the decision-making process by utilising the variety in skills, knowledge, industry and business experiences, gender, and other distinguishing qualities of the members of the Board to avoid groupthink and bias and foster constructive debate and achieve effective decision making in the best interest of the Group.

In reviewing the Board composition and succession planning, the NC considers various aspects of diversity, with all Board appointments and re-appointments based on merit, and due consideration will be given to a candidate's suitability in strengthening the diversity of skills, experience, gender, knowledge, and core competencies of the Board relevant to the Group.

The Group also emphasises great importance in gender equality, and this has been incorporated as one of the objectives in the Board Diversity Policy. The Group has three women on the Board, namely Ms Michelle Cheo Hui Ning, Ms Bianca Cheo Hui Hsin, and Datuk Dr Fawzia Binti Abdullah.

In the Inaugural Singapore Board Diversity Index published on 16 September 2020, the Company's Board was ranked first among the Mid-Cap Companies category and fourth among all 704 companies with primary-listing on the SGX.

The profile of each director is set out on pages 10 to 13 of this Annual Report.

## **Provision 2.5**

### **Meeting of Independent Directors without Management**

The independent directors, led by the lead independent director, meet amongst themselves at least once a year without the presence of the Management and the Chairman of the Board to discuss the issues arising from the internal and external audits. The feedback and views expressed by the independent directors was communicated by the Lead Independent Director to the Board and/or the Executive Chairman, as appropriate.

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

### **PRINCIPLE 3**

**There is a clear division of responsibility between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

## **Provision 3.1, 3.2**

### **Provision 3.1 Separation of the Role of Chairman and the Chief Executive Officer ("CEO")**

### **Provision 3.2 Role of Executive Chairman and CEO**

The roles of the Chairman and the Deputy Chairperson cum Chief Executive Officer ("CEO") are separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

# CORPORATE GOVERNANCE

The Executive Chairman, Dr Cheo Tong Choon @ Lee Tong Choon ("**Dr Cheo**") plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision. Dr Cheo has been the force behind the success of the Group and works closely with the Deputy Chairperson cum CEO, Executive Director cum COO and the management. Please refer to Dr Cheo's profile on page 10 of this Report.

Ms Michelle Cheo Hui Ning, daughter of Dr Cheo, is an Executive Director, Deputy Chairperson and CEO of the Group. She is responsible for the overall execution of strategy as endorsed by the Board and for operational performance and organisational excellence. Please refer to Ms Michelle Cheo's profile on page 10 of this Report.

Ms. Bianca Cheo Hui Hsin, daughter of Dr Cheo, is an Executive Director and COO of the Group. She has overall responsibility for the Consumer Pack segment of the Group. Please refer to Ms Bianca Cheo's profile on page 11 of this Report.

All major proposals and decisions made by the Chairman and CEO undergo thorough discussion and review by the Board. Their performance and appointments are subject to periodic review by the NC which comprises all independence directors except Dr Cheo. Dr Cheo, as a member of the NC, abstains from voting on all resolutions or proposals related to, or that may be suspected to have, a conflict of interest. Their remuneration packages are reviewed annually by the Remuneration Committee ("**RC**"). The RC consists of all independent directors. The Board believes that there are sufficient strong and independent elements and adequate safeguards in place against a possible concentration of power and authority that a familial relationship exists between the Chairman and the CEO.

The key responsibilities of the Chairman are: -

- leading the Board, facilitate effective contribution of all Directors and promote comprehensive, rigorous and open discussion during the Board meeting with the Directors, as well as between the Board and the management;
- setting the agenda and ensuring that the directors receive complete, adequate and timely information and that adequate time is available for discussion for matters on the agenda, particularly on matters relating to strategies;
- building constructive relations within the Board, and between the Board and the management to ensure proper execution of the strategies and direction decided by the Board;
- facilitating effective contribution of the Non-Executive Directors;
- ensuring constructive communication and engagement with shareholders takes place in every general meeting; and promoting standards of corporate governance.

## **Provision 3.1**

### **Lead Independent Director**

Taking cognisance that the Chairman of the Board is an Executive Director and he is not independent, the Board has designated a Lead Independent Director who serves as a sounding Board for the Chairman and as an intermediary between the independent directors and the Chairman.

The current Lead Independent Director, Dr Foo Say Mui (Bill) provides leadership in situations where the Chairman was conflicted and to ensure a balance of power and authority, such that no one individual has unfettered powers of decision making. The Lead Independent Director acts as a bridge between the independent directors and the Chairman as well as representing shareholders' interests. As a Lead Independent Director, Dr Foo was always available to shareholders and stakeholders if they had concerns for which contact through normal channels of communication with the Chairman or Management were inappropriate or inadequate. Shareholders may email to [lr@mewahgroup.com](mailto:lr@mewahgroup.com) which will channel the same to Dr Foo directly. There was no query or request on any matters which requires the Lead Independent Director's attention received in FY2022.

# CORPORATE GOVERNANCE

## BOARD MEMBERSHIP

### PRINCIPLE 4

**The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

#### Provision 4.1, 4.2

#### **Provision 4.1 Key terms of reference of Nominating Committee**

#### **Provision 4.2 Membership of Nominating Committee**

To ensure that the governance and business needs of the Group are adequately addressed, the Board has established a Nominating Committee (the **"NC"**) to regularly review the capabilities of the directors collectively by taking into account their skills, experience, gender & age diversity and industry knowledge.

The NC comprises three Independent Directors and one Executive Directors. The Chairman of NC is Dr Foo Say Mui (Bill) who is also the Lead Independent Director.

Please refer to Provision 1.4 above on the names of the members and the composition of the NC.

The Board reviews the size and composition of the Board at least twice in a year, taking into account the need for progressive renewal of the Board, and each Director's competencies, commitment, contribution, and performance.

The NC makes recommendations to the Board on all Board appointments, Key Management Personnel (**"KMP"**) as well as appointment of those who has relationship with director/ CEO/ substantial shareholder. In reviewing the Board composition and in identifying suitable candidates for appointment to the Board, the NC will ultimately form their decisions based on the following principles: -

- (a) Skills, experience, knowledge, gender, and age diversity; and
- (b) Non-executive directors make up a majority of the board, where the Chairman is not independent.

NC's key responsibilities include the following:

- (i) Identifying candidates for nomination and making recommendations to the Board on all Board appointments;
- (ii) Re-nomination of the directors in accordance with the Memorandum and Articles of Association, having regard to the director's contribution and performance;
- (iii) Determining the independency of an independent director annually in accordance with the Code;
- (iv) Deciding whether or not a director is able to and has been adequately carrying out his duties as a director;
- (v) Reviewing the balance and diversity of skills, experience, gender, age, knowledge, competencies of the Board, and its size and composition;
- (vi) Reviewing and recommending the training and professional development programmes for the Board; and
- (vii) Developing and recommending to the Board a process of evaluation of the performance of the Board, Board Committees, and directors;
- (viii) Reviewing of succession plans for directors, the Chairman, the CEO and KMP.



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## Provision 4.3

### **Selection, Appointment and Re-Appointment of Directors**

The NC is responsible for recommending identified candidates to the Board to fill vacancies arising from resignation or retirement, or if there is a need to appoint additional Directors to fill a competency gap in the Board. The potential candidate may be proposed by existing Directors, the management or through third-party referrals.

The Group has put in place a process for selecting and appointing new Directors. This process includes, inter alia, an evaluation of the candidate's capabilities by taking into consideration diversity of skills, knowledge, experience, background, gender, age and other relevant factors and how the candidate fits into the overall desired competency matrix of the Board. The shortlisted candidates will be required to furnish their curriculum vitae, stating in detail their qualification, working experience, employment history and to complete certain prescribed forms to enable the NC to assess the candidate's independent status and compliance with the applicable rules. All Board appointments are approved by way of written resolutions.

The NC will engage external agencies to assist, if required, at the expense of the Group. For FY 2022, no engagement of external agencies in selection and appointment of new Directors was done.

In assessing re-appointment of the director's, the NC evaluates based on several criteria, including qualifications, contributions, and independence of the directors. In accordance with the Company's Memorandum and Articles of Association, each director shall retire at least once every three years. A retiring director shall be eligible for re-election subject to approval by the shareholders at the Annual General Meeting ("**AGM**"). New directors appointed by the Board will hold office only until the next AGM following their appointments and will be eligible for re-election thereafter. Such directors are not taken into account when determining the directors who are to retire by rotation. Each member of the NC is required to abstain from deliberating, participating, or voting in matters relating to him/her, including the assessment of his/her performance and re-nomination as director.

The Board generally does not have a practice of appointing alternate directors.

Key information regarding each director's qualifications, shareholdings, relationships (if any), date of first appointment, directorship, and other principal commitments is presented on pages 10 to 13 of this Annual Report. The NC had recommended to the Board the re-election of Ms Bianca Cheo Hui Hsin and Datuk Dr Fawzia Binti Abdullah, who will be retiring pursuant to Article 86 of the Company's Memorandum and Articles of Association at the forthcoming AGM. The directors retiring by rotation have consented to continue in office.

The additional information on Ms Bianca Cheo Hui Hsin and Datuk Dr Fawzia Binti Abdullah, being the Directors who have been nominated for re-election, pursuant to Rule 720(6) of the SGX-ST Listing Manual, are set out below:

<b>Name of Person</b>	<b>Bianca Cheo Hui Hsin</b>	<b>Datuk Dr Fawzia Binti Abdullah</b>
<b>Date of Appointment</b>	29 October 2010	8 August 2017
<b>Date of Last Re-Appointment</b>	19 June 2020	19 June 2020
<b>Age</b>	46	79
<b>Country of Principal Residence</b>	Singapore	Malaysia

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Name of Person	Bianca Cheo Hui Hsin	Datuk Dr Fawzia Binti Abdullah
<b>The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)</b>	The Board having considered and accepted the recommendation of the Nominating Committee and assessed Ms Cheo's overall contributions and performance, is of the view that she is suitable for re-appointment as a Director of the Company.	The Board having considered and accepted the recommendation of the Nominating Committee and assessed Datuk Dr Fawzia's overall contributions and performance, is of the view that she is suitable for re-appointment as a Director of the Company.
<b>Whether appointment is executive, and if so, the area of responsibility</b>	Executive Director	Independent Non-Executive
<b>Job Title</b>	Executive Director and Chief Operating Officer	Independent Director, member of Audit Committee, member of Nominating Committee
<b>Working experience and occupation(s) during the past 10 years</b>	Please refer to the "Board of Directors" on page 11 .	Please refer to the "Board of Directors" on page 12.
<b>Shareholding interest in the listed issuer and its subsidiaries?</b>	Yes. Please refer to "Statistics of Shareholdings" on page 169 to 171.	NIL
<b>Familial relationship with any director and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries</b>	<ul style="list-style-type: none"> <li>• Daughter of Dr Cheo Tong Choon @ Lee Tong Choon (Chairman, Executive Director and substantial shareholder);</li> <li>• Sister of Ms Michelle Cheo Hui Ning (Deputy Chairperson, Chief Executive Officer, Executive Director and substantial shareholder);</li> <li>• Sister of Mr Cheo Jian Jia and Ms Sara Cheo Hui Yi (substantial shareholders)</li> </ul>	NIL
<b>Conflict of interests (including any competing business)</b>	NIL	NIL
<b>Undertaking (in the format set out in Appendix 7.7 under Rule 720(1)) has been submitted to the listed issuer</b>	Yes	Yes
<b>Past Directorship (for the last 5 years)</b>	<ol style="list-style-type: none"> <li>1. MOI international (Australia) Pty Ltd</li> <li>2. MOI Foods U.S.A. Ltd.</li> <li>3. Mewah Marketing Pte. Ltd.</li> <li>4. Moi Foods (Belgium) N.V –</li> <li>5. Bokley Pte Ltd</li> </ol>	NIL

# CORPORATE GOVERNANCE

Name of Person	Bianca Cheo Hui Hsin	Datuk Dr Fawzia Binti Abdullah
<b>Present Directorship</b>	1) Mewah International Inc. (Singapore Listed Company) 2) PT Matahari Department Store TBK (Indonesia Listed Company) 3) One Marthoma (CI) Inc. 4) Pandan Loop International Inc. 5) Cavenagh House International Inc. 6) Hua Guan Inc. 7) Mewah China (HK) Limited 8) Ngo Chew Hong Corporation Pte. Ltd. 9) Cavenagh Oleo (S) Pte. Ltd. 10) Hua Guan Oleo (S) Pte Ltd. 11) Mewah (HK) Limited 12) Dr T.C. Pierre (Cayman Islands) Inc. 13) Eighteen Tenth Nineteen Forty Four Inc. 14) Unity Investment Inc. 15) Cheo @ Berrima Inc. 16) Moi Chemicals Limited 17) J.J. Mibisa Holding (BVI) Inc. 18) T.C. Stone Limited 19) J.J. Mibisa Inc. 20) J.J. Mibiansa Holdings Pte Ltd 21) Futura Ingredients Singapore Pte. Ltd. 22) Ecobliss (S) Pte. Ltd. 23) Eco Oleo (S) Pte. Ltd. 24) Ecogenesis Life Sciences Pte. Ltd. 25) Futura Oppenheimer Pte. Ltd.	1) Econ Medicare Centre and Nursing Home Sdn. Bhd.
<b>(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?</b>	No	No

# CORPORATE GOVERNANCE

Name of Person	Bianca Cheo Hui Hsin	Datuk Dr Fawzia Binti Abdullah
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

# CORPORATE GOVERNANCE

Name of Person	Bianca Cheo Hui Hsin	Datuk Dr Fawzia Binti Abdullah
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

# CORPORATE GOVERNANCE

Name of Person	Bianca Cheo Hui Hsin	Datuk Dr Fawzia Binti Abdullah
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No

# CORPORATE GOVERNANCE

## **Provision 4.4**

### **Continuous Review of Directors' Independence**

In FY 2022, the NC had conducted, inter alia, an annual review of the independence of the non-executive directors based on their declaration which was drawn up in accordance with the guidelines provided under the Code, its Practice Guidance and relevant SGX-ST listing rules, and had determined, having regard to the circumstances set forth in Provision 2.1 of the Code, the independence of each non-executive Directors. Please refer to Provision 2.1 above on the process and details of the NC's review of non-executive Directors' independence. The NC is also committed to reassess the independence of each non-executive Directors as and when necessary.

The Board is complying with Rule 210(5)(d)(iv) of the SGX-ST Mainboard Rules introduced on 11 January 2023, to ensure no director will be considered independent if he/she sits on the Board for more than 9 years.

## **Provision 4.5**

### **Multiple Directorships**

The Board has not set the maximum number of Board representations which any director may hold. However, the NC monitors and assesses twice a year whether directors with multiple board representations and other principal commitments are able to give sufficient time and attention to the affairs of the Group and diligently discharge their duties as a director of the Group. The NC takes into account the results of the assessment of the effectiveness of the individual director, his or her actual conduct on the Board and Board Committees, and attendance record at meetings. Moreover, each director is required to confirm annually to the NC as to whether he or she has any issue with competing time commitments which may impact his or her ability to provide sufficient time and attention to his or her duties as a director of the Group.

Based on the assessments, actual conduct and attendance record, the NC is satisfied that in 2022, sufficient time and attention has been given to the affairs of the Group by each director. Details of directorships and commitments of all directors are detailed in pages 10 to 13 of this report.

## **BOARD PERFORMANCE**

### **PRINCIPLE 5**

**The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

## **Provision 5.1, 5.2**

### **Provision 5.1 Board Evaluation Process**

### **Provision 5.2 Assessments of the Board, Board Committees and Each Director**



# CORPORATE GOVERNANCE

The NC has processes in place for the evaluation of the Board's effectiveness as a whole, its individual Board Committees, and for assessing the contributions by the Chairman and each individual director to the effectiveness of the Board on an annual basis. The evaluation is done through written assessments by individual directors and submitted incognito. The assessment is based on objective performance criteria, including the Board composition and size, Board effectiveness and training, Board committees, Board committee process, provision of information to the Board, standard of conduct, the Board's understanding of the Group's business operations and its financial performance, Board compensation, effectiveness of the Board meetings to facilitate discussions and decisions on critical and major corporate matters, as well as individual's contributions and commitment to their roles. The Company Secretary compiles the Directors' responses from the evaluation forms into a consolidated report. The collated findings are reported, and recommendations are then submitted to the Board for review and to further enhance the Board's effectiveness in every year end meeting. No external facilitator was used in the evaluation process. The performance criteria do not change from year to year unless the NC is of the view that it is necessary to change the performance criteria, for instance, to align with any changes to the Code and the Listing Rules. In 2022, there were no significant issues that might warrant the Board's attention.

## II. REMUNERATION MATTERS

### PROCEDURES FOR DEVELOPING REMUNERATION PROCESS

#### PRINCIPLE 6

**The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

#### Provision 6.1, 6.2, 6.3, 6.4

##### **Provision 6.2 RC Composition**

The Remuneration Committee ("**RC**") comprises entirely of independent directors. The RC is chaired by Dr Foo Say Mui (Bill) with Mr Robert Loke Tan Cheng, and Tan Sri Dato' A Ghani Bin Othman as its members.

Please refer to Provision 1.4 above on the names of the members and the composition of the RC.

##### **Provision 6.1 Remuneration Framework**

The RC is responsible for reviewing and making recommendations to the Board a framework of remuneration for the Board and the key management personnel ("**KMP**") and determining specific remuneration packages for each director and the KMP. The recommendations of the RC are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits in kind are covered by the RC. The remuneration framework in place is reviewed periodically to ensure that it remains relevant and effective.

On an annual basis, the RC reviews and recommends the specific remuneration packages of the executive directors and the KMPs, including the annual increments and year-end variable bonuses, for approval by the Board. Each member of the RC is required to abstain from voting on any resolutions and making recommendations and/or participating in any deliberations of the RC in respect to his own remuneration package.

# CORPORATE GOVERNANCE

## Provision 6.3 Role of RC

The RC is also responsible in reviewing the Group 's obligations arising in the event of termination of the executive directors' and KMP's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

The RC's duties and responsibilities as set out in its written terms of reference has reviewed and approved by the Board on an annual basis.

## Provision 6.4 Engagement of Remuneration Consultants

The RC has explicit authority within its terms of reference to seek appropriate external expert advice in framing the remuneration policy and determining the level and mix of remuneration of directors and management. Since there was no specific necessity, the RC did not engage any external remuneration consultant in FY 2022.

## LEVEL AND MIX OF REMUNERATION

### PRINCIPLE 7

**The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

### Provision 7.1, 7.2, 7.3

#### Remuneration of Directors and KMPs

The annual review of the compensation was carried out by the RC to ensure that the remuneration of the executive directors, CEO and KMPs commensurate with their performance and, giving due regard to the financial and commercial health and business needs of the Group. The RC will also take into consideration the risks policies of the Group, and is also responsive to the economic climate as well as the performance of the Group, its businesses, and individuals. It is structured to link a significant and appropriate proportion of rewards to the Group's and individual's performance. The RC and the Board, in determining the level and structure of remuneration of the Board and KMP, will ensure that the Board and KMP are provided with appropriate remunerations that is proportionate to the sustained performance and value creation in the Group. The remuneration framework for the Board and KMP is aligned with the interests of shareholders, other stakeholders, and is sufficiently appropriate to attract, retain, and motivate them for the long-term success of the Group.

Independent non-executive Directors have no service agreements with the Company and their terms in office are specified in the Constitution. When reviewing the structure and level of directors' fee for the Independent non-executive directors, the RC takes into consideration the directors' respective roles and responsibilities in the Board and its Board Committees. The RC is mindful that the remuneration for independent non-executive directors should not be excessive so as not to compromise or reasonably be perceived to compromise their independence. No director is involved in deciding his or her own remuneration.

The Company currently does not have any share-based compensation scheme, or any long-term incentive scheme involving the offer of shares or grant of options in place.

# CORPORATE GOVERNANCE

## DISCLOSURE ON REMUNERATION

### PRINCIPLE 8

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

#### Provision 8.1, 8.2, 8.3

#### Disclosure of Remuneration of Directors, KMPs and Immediate Family Members of CEO and Executive Directors

Independent non-executive directors are paid directors' fees, subject to the approval of shareholders at the AGM. No additional fees are paid for their appointments on other Board Committees. The directors' fees are appropriate to the level of contribution, taking into account factors such as effort, time spent, and the responsibilities of the directors such that the independence of the independent non-executive directors are not compromised by their compensations. Executive directors and the CEO do not receive directors' fees but are remunerated as members of management.

#### *Level and Mix of Remuneration*

The breakdown of the remuneration of the (i) directors and CEO; and (ii) employees who are substantial shareholders or are immediate family members of a director, the CEO or a substantial shareholder of the Company, for the financial year ended 31 December 2022 is as follows:

#### (i) Director and CEO

Name	Fixed Salary	Variable Income	Benefits in Kind	Total	Remuneration Band (\$'000)
<b>Executive Directors</b>					
Dr Cheo Tong Choon @ Lee Tong Choon	79%	20%	1%	100%	3,250 to 3,500
Ms Michelle Cheo Hui Ning	80.4%	18.4%	1.2%	100%	1,250 to 1,500
Ms Bianca Cheo Hui Hsin	80.4%	18.4%	1.2%	100%	1,250 to 1,500
<b>Independent Non-Executive Directors</b>					
Mr Robert Loke Tan Cheng	100%	-	-	100%	250 and below
Dr Foo Say Mui (Bill)	100%	-	-	100%	250 and below
Datuk Dr Fawzia Binti Abdullah	100%	-	-	100%	250 and below
Tan Sri Dato' A Ghani Bin Othman	100%	-	-	100%	250 and below

The Company has disclosed each Director's remuneration in bands of S\$250,000 and provided a further detailed breakdown of the remuneration in percentage terms into fixed salary, variable income, and benefits in kind. The Company is of the view that this is sufficient to provide shareholders with insight into the level of compensation of the Directors and links between the Directors' remuneration and their performance. Further details regarding the remuneration of each Director are deemed, in light of the sensitivities of remuneration, not to be in the best interest of the Company.

# CORPORATE GOVERNANCE

**(ii) Employees who are substantial shareholders or are immediate family members of a director, the CEO or a substantial shareholder of the Company (remuneration exceeding S\$100,000)**

<b>Name</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Remuneration Band (S\$'000)</b>
Mr Cheo Jian Jia	Children of Dr Cheo Tong Choon @ Lee Tong Choon; Sibling of Ms Michelle Cheo Hui Ning and Ms Bianca Cheo Hui Hsin	700 to 800
Ms Cheo Chong Cher		200 to 300
Ms Cheo Sor Cheng Angeline		200 to 300
Ms Cheo Su Ching		200 to 300
Ms Cheo Soh Hua @ Lee Soh Hua	Sibling of Dr Cheo Tong Choon @ Lee Tong Choon	200 to 300
Mr Cheo Teong Eng		200 to 300
Ms Alicia Cheo		200 to 300

***Top Five Key Management Personnel***

Remunerations paid to the top five Key Management Personnel ("**KMPs**") (who are not directors or the CEO) ranged between S\$250,000 and S\$2,000,000 and aggregated to S\$3,943,000 58%, 41%, and 1% of which were fixed salary, variable income, and benefits in kind respectively. The disclosure made for the KMP's remuneration in bands of S\$250,000 as well as a breakdown in percentage terms into fixed salary, variable income and benefits in kind as the Group believes that given the confidential and commercial sensitivities associated with remuneration matters, the highly competitive human resource environment in which the Group operates, the importance of ensuring stability, continuity of business operations with a competent, and experienced management team in place, it is in the best interest of the Group to not disclose the Company's top five KMP (whom are not directors or the CEO) on a named basis.

Remuneration of executive directors and KMPs includes a variable component which is linked directly to performance measures identified by the Group. The quantum of variable component is dependent on the individual performance against those measures that include knowledge and understanding of the Group and the industry, execution of strategies, personal qualities, as well as performance of the Group in general. The Company does not have contractual provisions to reclaim incentive components of remuneration from executive directors and KMPs in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company as it is of the view that, in any case, it has legal recourse under such circumstances.

No directors or KMPs are involved in deciding his or her remuneration.

The Company did not have any Employee Share Schemes for the financial year 2022.

# CORPORATE GOVERNANCE

## III. ACCOUNTABILITY AND AUDIT

### RISK MANAGEMENT AND INTERNAL CONTROLS

#### PRINCIPLE 9

**The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interest of the company and its shareholders.**

#### Provision 9.1

##### **Oversight of Risk Management**

The Board is responsible for the governance of risk and ensures that management maintains a sound system of risk management and internal controls to safeguard the interest of the Company and the shareholders.

The Board has overall responsibility for the governance of risk, including adoption and implementation of a system of risk management and internal controls.

The Executive Risk Management Team monitors and assists the Board in determining the nature and extent of the significant risks which the Group is willing to take in achieving its strategic objectives and value creation. Management reports and updates the AC on regular basis regarding key risks. Risk management is explained further in pages 25 to 27.

##### ***Internal Audit***

Internal Audit ("IA") function is responsible to oversee the Group's risk governance and to ensure management maintains a strong system of risk management and internal controls to protect the interests of shareholders and the Group's assets. The IA function operates independently within the Group headed by Mr Larry Cheng ("**Mr Cheng**") and other suitably qualified executives who meet the Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. Mr Cheng reports directly to the Chairman of the Audit Committee, which approves the appointment, termination, evaluation, and compensation of the Head of Internal Audit. The Audit Committee also annually reviews the scope of authority and responsibility of the IA functions as defined in the AC Terms of Reference. The IA function of the Group has unfettered access to all the Group's documents, records, properties, and personnel, including Audit Committee, and has appropriate standing within the Group.

The IA conducts an annual review of the effectiveness of the Group's material internal controls, including financial, operational, compliance, information technology controls, risk management systems and Sustainability report. Any material non-compliance or failure in internal controls, and recommendations for improvements are reported to the Audit Committee. The Audit Committee also reviews the effectiveness of the actions taken by management on the recommendations made by the internal and external auditors in this respect.

Audits were carried out on significant business units in the Group, inclusive of limited review performed on dormant and inactive companies. The consolidation of the IA's reports is submitted on a quarterly basis to the Audit Committee for deliberation, with copies of these reports extended to the Chairman, the CEO, and the relevant Senior Management Officers. In addition, IA's summary of findings and recommendations are discussed at the quarterly Audit Committee meetings. The Audit Committee also conducts meetings with the IA without the presence of the Senior Management to discuss any issues of concern.

# CORPORATE GOVERNANCE

The Audit Committee reviewed and is satisfied that the IA function is independent, effective, and adequately resourced.

## ***Risk Management and Internal Control***

The role of the IA function is to assist the Audit Committee in providing reasonable assurance that the Group maintains a sound system of internal controls by regular monitoring of key controls and procedures and ensuring their effectiveness by undertaking investigations as directed by the Audit Committee and conducting regular in-depth audits of high-risk areas. The Audit Committee ensures that the IA is adequately resourced and has appropriate standing within the Group.

## ***Opinion on the Adequacy and Effectiveness of Internal Control and Risk Management Systems***

Based on the internal controls and risk management systems established and maintained by the Group, audit checks performed by the internal and external auditors, and regular reviews performed by management, the Board and various Board Committees, the Audit Committee and the Board are of the opinion that the Group's internal control and risk management systems are adequate and effective as at 31 December 2022 to address the financial, operational, compliance, information technology and sanction related risks of the Group. There has been no material change in the Company's risk of being subject to any sanctions-related laws or regulations. The Board and the AC remains responsible for monitoring the Company's risk of becoming subject to or violating any sanctions-related laws or regulations and ensuring timely and accurate disclosure to SGX and other relevant authorities. The internal control and risk management systems established by the Group provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

## ***Assurance from the CEO and CFO***

The Chief Executive Officer and Chief Financial Officer have also provided a written confirmation to the Board that, to the best of their understanding: (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) the Group had established and maintained an adequate system of internal controls effective in addressing financial, operational, compliance, information technology controls, and risk management systems for the financial year ended 31 December 2022. The Group's risk management and internal control systems are effective.

# CORPORATE GOVERNANCE

## AUDIT COMMITTEE

### PRINCIPLE 10

**The Board has an Audit Committee (“AC”) which discharges its duties objectively.**

#### Provision 10.2 and 10.3

##### **Composition of Audit Committee**

The Audit Committee (“AC”) comprises entirely non-executive and independent directors. The AC is chaired by Mr Robert Loke Tan Cheng with Datuk Dr Fawzia Binti Abdullah and Tan Sri Dato’ A Ghani Bin Othman as its members. The Board considers the members of the AC appropriately qualified with sufficient and relevant financial management expertise and experience to discharge its functions. The AC is also kept abreast of changes to accounting standards and issues which have a direct impact on financial statements through meetings with the external auditors who will update the AC on recent related developments. It has held four meetings in 2022. The AC has also met with the internal and external auditors without the presence of the management during the year.

The AC does not have any member who was a former partner or director of the Group’s external auditor, PricewaterhouseCoopers LLP (“PwC”), within a period of two years commencing on the date of their ceasing to be a partner of PwC, or who holds any financial interest in PwC.

#### Provision 10.1

##### **Duties of AC**

The AC is guided by the following key terms of reference, which defines its scope of authority to:

- (i) Commission internal investigations and review any significant findings or otherwise to carry out its obligations under Rule 719 of the SGX-ST Listing Manual in relation, inter alia, any suspected fraud or irregularity, or suspected infringement of any Singapore law, regulations, or rules of the SGX-ST, or any other regulatory authority of Singapore, which has or is likely to have a material impact on the Group’s operating results or financial position;
- (ii) Review the financial reporting issues and judgments to ensure the integrity of the financial statements of the Group (including its annual and semi-annual reports and any other formal financial statements, as well as reviewing significant financial reporting issues and judgments therein), and announcements on the Group’s financial performance and recommend changes, if any, to the Board;
- (iii) Review and report to the Board the adequacy and effectiveness of the Group’s internal controls and risk management systems and any oversight of its risk management processes and activities to mitigate and manage risks at acceptable levels as determined by the Board;
- (iv) Review the assurance from the CEO and the Chief Financial Officer on the financial records and financial statements;
- (v) Consider and make recommendations to the Board on the proposals to shareholders on the appointment, re appointment, and removal of the Group’s external auditors. The AC shall oversee the selection process for new auditors and if an auditor resigns, the AC shall investigate the issues leading to the resignation and decide whether any action is required;



# CORPORATE GOVERNANCE

- (vi) Oversee the relationship with the external auditors and make recommendations to the Board on the external auditors' remuneration and terms of engagement to ensure the fee commensurate with the audit and non-audit services provided, and whether the scope of such services ensure requisite audit to be conducted;
- (vii) Assess and review annually the qualification, adequacy, effectiveness, independence, scope, and results of external audit and the Group's internal audit function;
- (viii) Review the policies and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, with independent investigations appropriately followed up on;
- (ix) Review and approve the annual internal and external audit plan;
- (x) Review interested persons transactions and potential conflicts of interest, if any;
- (xi) Review all hedging policies and instruments to be implemented by the Group, if any; and
- (xii) Review all investment instruments that are not principally protected.

Each member of the AC must abstain from voting on any resolution in respect of matters in which he/she is involved.

## **Provision 10.4**

### **Primary Reporting Line of Internal Audit ("IA")**

The Head of IA function, Mr Cheng attended in all Audit Committee meetings and reports directly to the Chairman of the Audit Committee, which approves the appointment, termination, evaluation, and compensation of the Head of IA function. The IA function of the Group has unfettered access to all the Group's documents, records, properties, and personnel, including Audit Committee, and has appropriate standing within the Group. IA function is further explained in page 63 to 64.

### ***External Auditors***

The AC has conducted the annual review on the independence and objectivity of the external auditors as well as the non-audit services provided by them and is satisfied that the nature and extent of such services do not affect the independence of the external auditors. Details of the fees paid and payable to the auditors in respect of audit and non-audit services are set out in the notes to financial statements on page 118 of this Report. The Group has complied with Rule 712, and Rule 715 read with Rule 716 of the SGX-ST Listing Manual, in relation to its auditors. The audit partner of the external auditors is rotated every five years in accordance to Rule 713 of the SGX-ST Listing Manual.

The AC has explicit authority to investigate any activity within its terms of reference, full access to and co-operation from the management, and full discretion to invite any director or executive officer to attend its meetings. It also has reasonable resources to enable it to discharge its function properly.

The AC, with the concurrence of the Board, had recommended the re-appointment of PwC as the Group's external auditors at the forthcoming AGM.

## **Provision 10.5**

### **Meeting Auditors without the Management**

The Audit Committee also holds an annual year-end meeting with both internal and external auditors, without the presence of management. The meeting was conducted virtually by creating a breakout room for the auditors and non-executive independent directors to deliberate any matters of concern.

# CORPORATE GOVERNANCE

## ***Whistle-blowing policy***

The Group has put in place a policy on whistle-blowing, approved by the AC and endorsed by the Board, to facilitate the reporting of malpractice, illegal acts, or omission of work by an employee. Details of the Whistle Blowing Policy and arrangements have been posted to the employees' intranet

By creating an atmosphere of openness and trust, the Group encourages the employees to use internal mechanisms for reporting all whistleblowing activities and such reports will be treated fairly and the employees will be protected from reprisal. All the received reports will be directed for investigation to a designated independent committee constituted as per the Whistle Blowing Policy and such investigations will be carried out under the terms of strict confidentiality with minimum number of employees involved and the identity of the whistleblower will be kept confidential. Mewah will not tolerate victimisation of whistleblower and disciplinary action will be taken against those who victimise the whistleblower. The AC will review and monitor the policy as well as any whistleblowing complains received by the committee.

## ***Key Audit Matters***

The AC, along with the management and the external auditors, considered and discussed the key audit matters, as disclosed on page 78 to 79 of this Report. The Audit Committee's assessment and conclusion is explained below:

### ***Valuation of commodities forward contracts of the Group***

The AC reviewed the valuation methodology and the basis of indicative market prices used by management. The AC reviewed the work performed by the external auditors on the assessment of the appropriateness of the level 2 valuation techniques adopted by management by evaluating the appropriateness of the valuation methodology and the basis of indicative market prices used by management and concluded that the valuation methodology to be appropriate and the indicative market prices used by management to be within acceptable range.

### ***Impairment assessment of certain property, plant and equipment of the Group***

The AC reviewed management's impairment assessment including the valuation methodology adopted by management in relation to certain property, plant and equipment of the Group where indications of impairment were identified. The AC reviewed the work performed by the external auditors on the assessment of critical accounting estimates involved in estimating the revenue, discount rate, terminal growth rate and operating margin. It also held discussions with the external auditors to understand the basis of the key assumptions, appropriateness of methodology used by management and evaluating management's sensitivity analysis to assess the impact on the recoverable amount of the related property, plant and equipment. Accordingly, the assessment of the recoverable amount of the related property, plant and equipment was carried out using value-in-use calculations and an impairment charge of US\$14,082,000 was recognised in the financial statements. Based on the work performed, AC concluded management's assessment to be appropriate.

# CORPORATE GOVERNANCE

## IV. SHAREHOLDER RIGHTS AND ENGAGEMENT

### SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

#### PRINCIPLE 11

**The company treats all shareholders fairly and equitably to order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

#### Provision 11.1 and 11.4

##### **Conduct of Annual General Meeting ("AGM")**

Shareholders are informed of shareholders' meeting through the printed copy of Notice of Annual General Meeting, Proxy Form and Request Form sent to all shareholders. This notice has also published in the Business Times, posted onto the SGXNet and Mewah's corporate website.

In order to provide ample time for the shareholders to review, the Notice of AGM, Proxy Form and Request Form are distributed to all shareholders 14 days before the scheduled AGM date.

All shareholders of the Group whose names are registered in the Depository Register and the Register of Members are entitled to attend the general meeting and are given opportunities to participate effectively in, and vote at, the general meeting. The shareholders have also been informed of the rules, including voting procedures governing the AGM. If any shareholders are unable to attend, he or she is allowed to appoint up to two proxies to vote on his or her behalf at the meeting through proxy forms sent in advance with the Notice.

The shareholders are encouraged to meet with the Board and senior management to have a greater insight into the Group's developments. However, voting in absentia by mail, facsimile, or email has not been implemented as the authentication of shareholders' identity, the integrity of the information, and other related security issues still remain a concern.

#### Provision 11.2

##### **Separate resolutions at AGM**

The Board ensures that each distinct issue is proposed as a separate resolution for approval at the AGM. There is no bundling of the resolutions as they are not interdependent nor linked to each other. Details explanatory notes on each item of the agenda are also provided to the end of Notice of AGM.

# CORPORATE GOVERNANCE

## **Provision 11.3**

### **Interaction with Shareholders**

At the AGM of Mewah, shareholders are given the opportunity to communicate their views and are encouraged to ask the directors and the management questions regarding matters affecting the Company and the Group.

In light of the COVID-19 pandemic whereby the AGM FY 2021 was held by way of electronic means, the shareholders were invited to submit their questions for the AGM in advance of the meeting, and the Company provided its responses via SGXNET and the Company's corporate website on 22 April 2022 prior to the deadline for shareholders to submit proxy forms on 26 April 2022 and prior to the commencement of the AGM on 28 April 2022.

All directors, including the chairman of each Board Committees and the management are present at the AGM to answer to the relevant questions raised in advance by the shareholders. The external auditors are also present at such meetings to assist the directors in addressing the shareholders' queries relating to the conduct of the audit and the preparation and content of the auditors' report.

The attendance of all directors at the AGM, as well as all Board and Board Committee meetings, are recorded and disclosed on page 46.

## **Provision 11.5**

### **Minutes of AGM**

The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the resolutions table for approval and/or raise questions regarding to the Company and its operations. The Company has developed and shared the several channels which include electronic mail or facsimile for shareholder who are unable to attend the AGM to contribute their feedback and inputs. The details AGM minutes, which incorporate substantial and relevant comments or queries from shareholders and responses from the Board and Management are publicly available on both the SGXNET and Company's corporate website at within two weeks from the date of the AGM.

## **Provision 11.6**

### **Dividend Policy**

Mewah is committed to rewarding shareholders fairly and sustainably, balancing the payment of dividends while taking into consideration the Group's financial performance, cash flow generation, projected capital requirements for business growth, schedule of debts repayment and general global economic conditions to ensure that the best interests of the Company are served. This has been formalised in the Dividend Policy and the policy is available at the Company's corporate website. In the event that no dividend is declared, the reasons for such will be disclosed in accordance with the Listing Rule 704 (24) of the SGX-ST.

The Board has recommended a final exempt dividend of S\$0.014 per ordinary share, which along with interim dividend of S\$0.0015, brings the total dividend for the year to S\$0.0155 per ordinary share.

# CORPORATE GOVERNANCE

## ENGAGEMENT WITH SHAREHOLDERS

### PRINCIPLE 12

**The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meeting and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

#### Provision 12.1, 12.2, 12.3

#### **Timely, Effective , Fair and Accurate Communications with Shareholders**

The Group is committed to promote timely, effective, fair and accurate disclosure of material information to the stakeholders to support informed investment decision and enable the Company to strengthen the relationship with its shareholders based on trust and accessibility.

The Group has an Investor Relations Policy in place which allows for an ongoing exchange of views so as to actively engage and promote timely, effective and fair and accurate communications with shareholders. The Investor Relations Policy sets out the mechanism through which shareholders may contact the Group with queries and through which the Group may respond to such queries and such policy is publicly available at the Company's corporate website. The shareholders, investors and other stakeholders may contact IR team at [ir@mewahgroup.com](mailto:ir@mewahgroup.com) to channel their comments and queries.

The Group is committed to upholding high standards of disclosure and continues to keep all stakeholders informed of its corporate activities on a timely and consistent basis. The Group disseminates all price sensitive and material information to its shareholders via SGXNET on a non-selective basis. Financial and other performance data of the Group, as well as business units where appropriate, is provided to shareholders to facilitate better insight into the Group's performance. The date of release of the half yearly results is disclosed at least four weeks prior to the date of announcement through SGXNET. On the day of the announcement, the financial statements, as well as the accompanying press release and presentation slides, are released onto the SGXNET website as well as on the Company's corporate website.

Following the amendments to the Listing Manual and to promote sustainability by conserving environmental and financial resources, the Group also make available a digital format of the Annual Report for FY2022 ("**Annual Report**"). The Annual Report, as well as Notice of AGM, are published on the SGXNET and the Company's corporate website. All shareholders of the Group will receive the printed copy of notice of AGM, two proxy forms, and a request form to request for hard copies of the Annual Report.

## V. MANAGING STAKEHOLDERS RELATIONSHIPS

### ENGAGEMENT WITH STAKEHOLDERS

#### PRINCIPLE 13

**The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interest of the company are served.**

# CORPORATE GOVERNANCE

## **Provision 13.1, 13.2, 13.3**

### **Provision 13.1, 13.2 Stakeholders' Engagement**

### **Provision 13.3 Corporate Website**

The Board adopts an inclusive approach towards the needs and interests of material stakeholders to ensure that the best interests of the Group are served.

The Group maintains its corporate website at [www.mewahgroup.com](http://www.mewahgroup.com), to communicate and engage with stakeholders.

The Company does not practice selective disclosure of material information. All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNET and the Company's corporate website.

The updated corporate website contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders. It has dedicated "Investor Relations" link which features the latest and past annual report, financial results, and related information.

The Annual Report sets out the Group's Forward Looking Strategy on page 22 to 23 and key areas of focus in managing stakeholder relationships in the Sustainability Report FY2022 to be published on 28 April 2023.

## **VI. OTHER CORPORATE GOVERNANCE MATTERS**

### ***Dealings in securities***

#### **- *Listing Manual Rule 1207(19)***

The Group has adopted a Best Practice Code - Trading in Company's Securities. As per the policy, the Company issues memo to its directors, officers, and employees on the restrictions in dealings in listed securities of the Group during the period commencing one month before the announcement of half-year and full-year results, and if required, two weeks before the announcement of the Group's quarterly results. In both scenarios, the prohibition will be lifted one business day after announcement of the results.

Directors, officers and employees are also reminded not to trade in listed securities of the Group at any time while in possession of unpublished price or trade sensitive information. Directors and all employees are also prohibited from trading in the Company's securities on short-term considerations, defined as 30 days from the last dealing; and in situations where the insider trading laws and rules would prohibit trading. Pursuant to the Securities and Future Act, Directors and the CEO are also required to report their dealing in the Company's securities within two business days from the trading day. The directors' interests in shares of the Company are disclosed on page 75 of this Report.

### ***Interested Persons Transactions (IPTs)***

#### **- *Listing Manual Rule 907***

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are carried out on normal commercial terms and will not be prejudiced to the interests of the Group and its minority shareholders. The AC, as well as the Board, meets quarterly to review all the IPTs to ensure compliance with Chapter 9 of the Listing Manual of the SGX-ST.

## CORPORATE GOVERNANCE

The Company's disclosures in respect of interested persons transactions for the financial year ended 31 December 2022 are as follow: -

Name of Interested Person	Nature of relationship	Aggregate value of all IPTs during the period under review (excluding transactions less than S\$100,000 and transaction conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		FY 2022 US\$'000	FY 2022 US\$'000
Prelude Gateway Sdn. Bhd.	An associate of the Company	124	3,224
Ecolex Sdn. Bhd.	An associate of the Chairman	2,062	16,659
Containers Printers Pte Ltd	An associate of sibling of the Chairman	NIL	181
Nature International Pte Ltd	An associate of sibling of the Chairman	3	NIL
Mr Cheo Seng Jin	Sibling of the Chairman	783	NIL
Mr Cheo Tiong Choon	Sibling of the Chairman	783	NIL
Futura Ingredients Singapore Pte Ltd	An associate of the Chairman	11	NIL
Cheo @ Berrima	An associate of the Chairman	53	NIL
PT Mas Makmur	An associate of the Chairman	4	NIL

### Material Contracts

#### - Listing Manual Rule 1207(8)

Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, there were no material contracts entered into by the Company or any of its subsidiaries involving the interests of the CEO, any director, or controlling shareholders subsisting at the end of financial year ended 31 December 2022 and no material contracts entered into since the end of the previous financial year.