

CORPORATE GOVERNANCE

The Board of Directors (the “**Board**”) of Mewah International Inc. (“**Mewah**”) considers good corporate governance as a fundamental part of its responsibilities to protect and enhance shareholder value whilst pursuing sustainable growth in the financial performance of the Company and its subsidiaries (the “**Group**”). Mewah is committed to achieving 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. 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. Any deviations have been disclosed and explained.

BOARD MATTERS **THE BOARD’S CONDUCT OF 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.

Board Responsibility

Mewah is headed by an effective and experienced Board that works closely with 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 enhances the returns of the Company. Through the Board’s leadership, the Group’s businesses are expected to achieve sustainable and successful performance over the longer term.

The principal duties and responsibilities of the Board are to:

1. Set 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. Establish a framework of prudent and effective controls which enables risks to be assessed and managed effectively;
3. Review and approve the Group’s strategic and business plans;
4. Monitor the performance of the Group against plans and goals;
5. Consider sustainability issue, in particular environmental and social factors in formulation of the business strategies and corporate policies of the Group;
6. Monitor and ensure the 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, sets appropriate tone-from-the-top and desired organisational culture, appropriate authorities and duties of directors to accomplish a shared goal. Nominating Committee will also send the newly appointed director, the latest available version of Directors’ Toolkit issued by the Singapore Institute of Director to ensure proper accountability within the Company.

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

Matters requiring the Board’s decision and approval

The Board sets the strategic direction for the management and day-to-day operational decisions are taken by the management. The following matters of strategic importance have been reserved for the Board’s decision:

- Group’s strategy and business plans;
- Capital expenditure, investments and divestments exceeding certain material limits;

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- 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;
- Annual and quarterly results announcement;
- Annual report;
- Appointment of directors and key management personnel.

Board Committees

To assist the Board in the execution of its duties, the Board has delegated specific functions to the Board Committees, which would submit its recommendations or decisions to the Board. All the Board Committees are formed with clear written terms of reference setting out their compositions, authorities and duties including reporting back to the Board.

Details of the Board Committees are as set out below:

- Audit Committee, responsible for the functions as set out under Principle 10.
- Nominating Committee, responsible for the functions as set out under Principle 4.
- Remuneration Committee, responsible for the functions as set out under Principle 6.

Board Meeting and Attendance

The Board convenes scheduled meeting on a quarterly basis to coincide with the announcement of the Group's quarterly results. Ad hoc meetings will be convened between the scheduled meetings as and when necessary to attend any pressing matters requiring the Board's consideration and decision. Under the Company's Memorandum and Articles of Association, a director who is 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 circulation.

The Directors' attendance at the General, Board and Board Committee meetings during the financial year ended 31 December 2019 is set out as follows:

Name	AGM	Board Meeting	Audit Committee Meeting	Nominating Committee Meeting	Remuneration Committee Meeting
EXECUTIVE DIRECTORS					
Dr Cheo Tong Choon @ Lee Tong Choon	1/1	4/4		3/3	
Ms Michelle Cheo Hui Ning	1/1	4/4			
Ms Bianca Cheo Hui Hsin	1/1	4/4			
Ms Wong Lai Wan ^{*(Note 1)}	1/1	4/4			
INDEPENDENT DIRECTORS					
Dr Foo Say Mui (Bill)	1/1	4/4		3/3	2/2
Mr Robert Loke Tan Cheng	1/1	4/4	4/4	3/3	2/2
Tan Sri Datuk Dr Ong Soon Hock	1/1	4/4	4/4	3/3	2/2
Datuk Dr Fawzia Binti Abdullah	1/1	4/4	4/4	3/3	
No. of meetings held:		4	4	3	2

Note:

¹ Ms Wong Lai Wan stepped down from the Mewah Board with effect from 31 December 2019.

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Induction, orientation and training

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

The Group will also conduct an orientation program for new directors to familiarise them with the business activities of the Group, its strategic direction and corporate governance practices. A new director who has no prior experience as a director of a company listed on the SGX-ST must undergo mandatory training in the roles and responsibilities as prescribed by the SGX-ST. The new director will be required to undertake the required training within one year from the date of his appointment to the Board.

Directors are updated regularly on changes in relevant laws and regulations, industry developments, business initiatives and challenges on the matters related to the Company and its businesses. The Group has arranged a briefing session to all directors on updates in the requirements of the SGX-ST.

Directors will also be briefed on Companies Act, Chapter 50 or other regulations/statutory requirements, including its changes, from time to time. Annually, the Company will arrange the external auditors to update to all directors on the new and revised financial reporting standards that are applicable to the Company. Directors are given regular training and updates on specific matters relevant to the Company and the business to ensure they carry out their role effectively. Directors are also encouraged to participate in external training at the Group's expense.

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

- Overview of the Oils and Fats industry and Group's strategy to grow the business;
- Group strategic plans to further consolidate its position in Palm oils industry;
- Risk management practices for Group's trading and review of Group's overall risk limits;
- Political and physical risk management;
- Data, disruption and digital transformation;
- Singapore: Our Challenges & Opportunities;
- Combating Top Cybersecurity Threats;
- Group's capital structure and financing flexibility to align to growth plans;
- Business China Advanced Leaders Programme;
- Briefings were provided by the external auditor to the Board on new accounting standards.
- Briefing was provided by legal counsel to the Board on Key Changes to the Mainboard Listing Rules 2020.

Access to complete, adequate and timely information

The Group recognises the flow of relevant information on an accurate and timely basis is critical for the Board to be effective in discharge of its duties. All Board members are supplied with relevant, complete, adequate and timely information prior to Board meetings and on an on-going basis to enable them to make informed decisions. 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 enable constructive discussion and 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 being distributed. When necessary, senior management and/or the relevant employees will be invited to attend Board meetings to answer any query from Directors.

Company Secretary

The directors have unrestricted access to the Company Secretary and the Group's senior management to facilitate direct access to the Company Secretary and senior management, when necessary.

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The role of the Company Secretary is clearly defined and includes the responsibility of ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary or his nominees is required to attend to all General, Board and Board Committees' meetings. The appointment and removal of the Company Secretary is a matter for the Board as a whole. Subject to the approval of the Chairman, the directors, whether as a Group or individually, may seek and obtain independent professional advice to assist them in their duties, at the expense of the Group.

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 interests of the company.

Board Size, Composition, Diversity And Balance

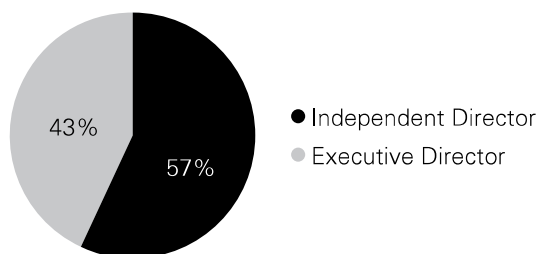
As at the date of this report, the Board comprises seven members, Independent Directors make up majority of the Board. A brief profile of each director is given on pages 6 to 8 of this Report.

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, industry and business experiences, gender and other distinguishing qualities of the members of the Board. The Board, in concurrence with the Nominating Committee ("NC") examines the Board structure, size and composition including the skills, knowledge, experience, gender, age and core competencies of the Board members to ensure that an appropriate balance of expertise, experience and knowledge. In accordance with this policy, NC will review the relevant objectives for promoting and achieving diversity on the Board, the progress made, and make recommendations for approval by the Board. NC will review this policy from time to time as appropriate and the progress made.

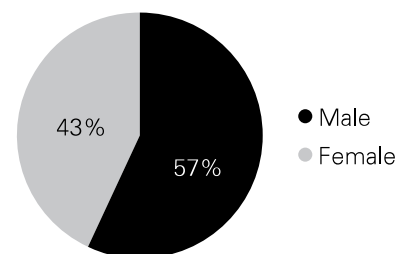
The current Board possesses diversified and varied expertise, experience and knowledge in the areas of the Group's palm oil business and geographical operations, as well as in the areas of strategy formulation, manufacturing, marketing, legal, taxation, finance, accounting and corporate compliances. With their varied experience in different industries and areas of expertise, independent directors play a crucial role in challenging the Board to develop strategies in the best interest of the Group. They also contribute independent perspective in reviewing the performance of the management in meeting agreed goals and objectives, and performance monitoring.

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

Board Composition, Diversity and Balance



Gender Diversity



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The nature of the current directors' appointments on the Board and details of their membership in the Board Committees are set out below:

Name of Director	Board Membership	Audit Committee	Nominating Committee	Remuneration Committee
Dr Cheo Tong Choon @ Lee Tong Choon	Executive Director and Chairman of Board	-	Member	-
Ms Michelle Cheo Hui Ning	Executive Director and Chief Executive Officer	-	-	-
Ms Bianca Cheo Hui Hsin	Executive Director and Chief Operating Officer	-	-	-
Dr Foo Say Mui (Bill)	Lead Independent Director	-	Chairman	Chairman
Mr Robert Loke Tan Cheng	Independent Director	Chairman	Member	Member
Tan Sri Datuk Dr Ong Soon Hock	Independent Director	Member	Member	Member
Datuk Dr Fawzia Binti Abdullah	Independent Director	Member	Member	-

Independence of Directors

All directors are required to disclose timely, any relationship or appointments which would impair their independence to the Board. The NC also evaluates the independence of all independent directors annually. Each independent director is required to complete an Independence Confirmation at the time of appointment and annually to declare whether he/she considered himself/ herself independent based on the guideline provided by the Code that independent directors should be independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonable perceived to interfere, with the exercise of the director's independent business judgement in the best interest of the Company.

The NC has ascertained that the independent directors, namely Dr Foo Say Mui (Bill), Mr Robert Loke Tan Cheng, Tan Sri Datuk Dr Ong Soon Hock and Datuk Dr Fawzia Binti Abdullah 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 NC had conducted a rigorous review during the year end NC meeting on the independence of Tan Sri Datuk Dr Ong Soon Hock ("**Tan Sri Datuk Dr Ong**") who had served the Board for a period exceeding nine years from the date of his first appointment. Such review was in accordance with the Code and entailed Tan Sri Datuk Dr Ong's independence in conduct, character and judgements, and confirmation that he has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonable perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company. NC is satisfied with the independence of Tan Sri Datuk Dr Ong and the Board has approved the recommendation from the NC.

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER

PRINCIPLE 3:

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

The roles of the Chairman and the 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.

The Chairman, Dr Cheo Tong Choon @ Lee Tong Choon (“Dr Cheo”) is an Executive Director. The Chairman is responsible for:-

- leading the Board and facilitating its effectiveness while promoting a culture of openness and debate within the Board;
- setting the agenda and ensures 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 the execution of the strategies and direction decided by the Board;
- facilitating effective contribution of Non-Executive Directors;
- ensure constructive communication and engagement with shareholders take place in every general meeting; and
- promoting standards of corporate governance.

Dr Cheo has been the force behind the success of the Group and works closely with the CEO and the management.

Ms Michelle Cheo Hui Ning, daughter of Dr Cheo is the CEO and the Executive Director. She is responsible for execution of overall strategy of the Group and day-to-day operations.

Lead Independent Director

Since the Chairman and the CEO are immediate family members, the Board has appointed Dr Foo Say Mui (Bill) as the Lead Independent Director. The Lead Independent Director has a pivotal role 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. He also provides continuity of leadership at the Board level in the absence of the Chairman and in situation where Chairman is conflicted.

On the sidelines of every Board meeting, the independent directors meet without the presence of the executive directors and the feedback is provided by the Lead Independent Director to the Chairman after the meeting.

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.

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 Board and each Director’s competencies, commitment, contribution and performance.

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, diversity and industry knowledge as well as review of succession plans for directors, Chairman, CEO and key management personnel.

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NC make recommendations to the Board on all Board appointments. In reviewing the Board composition and in identifying suitable candidates for appointment to the Board, the NC will ultimately base their decisions based on the following principles:-

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

NC comprises Lead Independent Director Dr Foo Say Mui (Bill), Independent Directors Mr Robert Loke Tan Cheng, Tan Sri Datuk Dr Ong Soon Hock, Datuk Dr Fawzia Binti Abdullah and Executive Director Dr Cheo Tong Choon @ Lee Tong Choon. The Chairman of the Nominating Committee is Dr Foo Say Mui (Bill) and majority of the NC members are non-executive and independent directors.

NC's key responsibilities include the following:

- (i) identifying candidates for nomination and make recommendations to the Board on all Board appointment;
- (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 annually the independency of an independent director 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) to review 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 ;
- (vii) developing and recommending to the Board a process of evaluation of the performance of the Board, Board Committees and directors

The Board has implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual director to the effectiveness of the Board. Details of the process are explained under Principle 5, Board Performance.

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 who have multiple board representations and other principal commitments are able to give sufficient time and attention to the affairs of the Company and diligently discharge their duties as a director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual director, his actual conduct on the Board and Board Committees and his attendance record at meetings. The NC is satisfied that in FY 2019, sufficient time and attention is being given to the affairs of the Group by each director. Details of directorships and commitments of all directors are explained in page 6 to 8 of this report.

Each member of the NC is required to abstain from deliberating, participating or voting in the matters relating to him including the assessment of his performance and re-nomination as director.

All Board appointments are approved by way of written resolutions or approved by the shareholders at any general meeting based on the recommendations of the NC. In searching, nominating and selecting new directors, the NC will continue to tap on the resources of directors' personal contacts, recommendations of potential candidates and participate in the shortlisting and interviewing process, if required. The NC will engage external agencies to assist if required, at the expense of the Group.

In assessing re-appointment of the directors, 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 in 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 they will be eligible for re-election. Such directors are not taken into account in determining the number of directors who are to retire by rotation. The Board generally does not have a practice of appointing alternate directors. However, new directors appointed by the shareholders in any general meeting shall retire at least once in every three years.

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Key information regarding each director's qualifications, shareholdings, relationships (if any), date of first appointment, directorship and other principal commitments is presented on pages 6 to 8 of the 'Board of Directors' and 'Directors' Statement' on pages 52 to 55 of this Annual Report. The NC had recommended to the Board the re-election of Ms Bianca Cheo Hui Hsin, Dr Foo Say Mui (Bill) 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, Dr Foo Say Mui (Bill) and Datuk Dr Fawzia Binti Abdullah, being the Directors who have been nominated for re-election, required pursuant to Rule 720(6) of the SGX-ST Listing Manual are set out below:

Details	Ms Bianca Cheo Hui Hsin	Dr Foo Say Mui (Bill)	Datuk Dr Fawzia Binti Abdullah
Date of first appointment as Director	29 October 2010	28 April 2015	8 August 2017
Date of last re-election	27 April 2017	26 April 2018	26 April 2018
Age	44	63	77
Country of principal residence	Singapore	Singapore	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the NC 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 the recommendation of the NC and assessed Dr Foo's overall contributions and performance, is of the view that he is suitable for re-appointment as a Director of the Company.	The Board, having considered the recommendation of the NC 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.
Whether appointment is executive, and if so, the area of responsibility	Executive. Please refer to "Board of Directors" on page 7.	Non-Executive.	Non-Executive.
Job Title	<ul style="list-style-type: none"> Executive Director Chief Operating Officer 	<ul style="list-style-type: none"> Lead Independent Director Chairman of Nominating Committee Chairman of Remuneration Committee 	<ul style="list-style-type: none"> Independent Director Member of Audit Committee Member of Nominating Committee

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Details	Ms Bianca Cheo Hui Hsin	Dr Foo Say Mui (Bill)	Datuk Dr Fawzia Binti Abdullah
Professional qualifications	• Please refer to the “Board of Directors” on page 7.	• Please refer to the “Board of Directors” on page 7.	• Please refer to the “Board of Directors” on page 8.
Working experience and occupation(s) during the past 10 years			
Shareholding interest in the listed issuer and its subsidiaries	Yes. Please refer to “Statistics of Shareholdings” on page 143 to 145.	NIL.	NIL.
Relationship (including immediate family relationships) with other director, executive officer, Mewah, substantial shareholders of Mewah or substantial shareholder of principal subsidiary	<ul style="list-style-type: none"> • Children of Dr Cheo Tong Choon @ Lee Tong Choon (Chairman and substantial shareholder); sibling of Ms Michelle Cheo Hui Ning (Chief Executive officer and substantial shareholder) and sibling of Mr Cheo Jian Jia and Ms Sara Cheo Hui Yi (substantial shareholder). • Niece of Mr Cheo Seng Jin (substantial shareholder). 	NIL.	NIL.
Conflict of interest (including any competing business)	NIL.	NIL.	NIL.
Undertaking (in the format set out in Appendix 7.7) under Rule 720 (1) has been submitted to the listed issuer	Yes.	Yes.	Yes.
Present directorship			
- Listed Companies	<ul style="list-style-type: none"> • Mewah International Inc. 	<ul style="list-style-type: none"> • Mewah International Inc. • Tung Lok Restaurants (2000) Ltd 	<ul style="list-style-type: none"> • Mewah International Inc.

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Details	Ms Bianca Cheo Hui Hsin	Dr Foo Say Mui (Bill)	Datuk Dr Fawzia Binti Abdullah
- Others	<ul style="list-style-type: none"> • One Marthoma (CI) Inc. • Pandan Loop International Inc. • Cavenage House International Inc. • Hua Guan Inc. • Moi International Inc. • Mewah China (HK) Limited • Ngo Chew Hong Corporation Pte. Ltd. • Cavenagh Oleo (S) Pte. Ltd. • Hua Guan Oleo (S) Pte Ltd. • Mewah (HK) Limited • Dr T.C. Pierre (Cayman Islands) Inc. • Eighteen Tenth Nineteen Forty Four Inc. • Unity Investment Inc. • Cheo @ Berrima Inc. • Moi Chemicals Limited • J.J. Mibisa Holding (BVI) Inc. • T.C. Stone Limited • J.J. Mibisa Inc. • J.J. Mibiansa Holdings Pte Ltd • Futura Ingredients Singapore Pte. Ltd. • Ecobliss (S) Pte. Ltd. • Eco Oleo (S) Pte. Ltd. • Ecogenesis Life Sciences Pte. Ltd. • Futura Oppenheimer Pte. Ltd. • Bokley Pte. Ltd. • Aiwei Pte Ltd • All Bright Global Limited 	<ul style="list-style-type: none"> • The International Institute for Strategic Studies (Asia) Ltd (“IISS Asia”) as Trustee for the Strategic Studies Fund; • Tower Capital Asia Pte Ltd; • Business Circle Singapore Pte Ltd; • M&C REIT Management Ltd & M&C Business Trust Management Ltd • Kenon Holdings Ltd. 	<ul style="list-style-type: none"> • Econ Medicare Centre & Nursing Home Sdn. Bhd.
Past directorship (for the last 5 years)			
- Listed Companies	• NIL	• NIL	• NIL
- Others	<ul style="list-style-type: none"> • MOI International (Australia) Pty Ltd • MOI Foods U.S.A. Inc. • Mewah Marketing Pte. Ltd. • Moi Foods (Belgium) N.V • Eco Perfect Limited 	<ul style="list-style-type: none"> • Heartware Network • IC Power Pte Ltd • Unigestion Asia Pte Ltd • I.C. Power Asia Development Ltd. • Academies Australiasia Group Limited 	

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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.

The NC has in place a process for the evaluation of the Board's effectiveness as a whole, its Board Committees and a process for assessing the contribution 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 in anonymous manner. The assessment is based on objective performance criteria including the Board composition and Board size, Board's understanding of the Group's business operations, development of strategic directions, the effectiveness of the Board meetings to facilitate discussion and decision on critical and major corporate matters, as well as individual's contribution and commitment to their roles. The Company Secretary compiles Directors' responses to the evaluation form into a consolidated report. The collated findings are reported and recommendations are submitted to the Board for review and to further enhance the Board's effectiveness. 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. In FY 2019, there were no significant issues that warrant the Board's attention.

REMUNERATION MATTERS PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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.

The Remuneration Committee (the "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 Datuk Dr Ong Soon Hock as its members.

The RC is responsible to review and make 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. 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 of his or her own remuneration package.

The RC has accessed to appropriate advice from within and/or outside the Group on the remuneration of directors and KMP. It ensures that in the event of such advice being sought, existing relationships, if any, between the Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. The RC did not engage any remuneration consultants for the financial year 2019.

The RC is also responsible in reviewing the Group's obligations arising in the event of termination of the executive directors' and KMP's contract 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.

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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.

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 remuneration that is proportionate to the sustained performance and value creation of the Group taking into account its strategic objectives, its long-term interests and risks policies of the Group and is also responsive to the economic climate as well as the performance of the Group, business units and individuals. The RC has structured remuneration packages for KMP on measured performance indicators taking into account both financial and non-financial factors. It is structured to link a significant and appropriate proportion of rewards to the Group's and individual's performance. The remuneration framework for the Board and KMP is aligned with the interest of shareholders, other stakeholders and appropriate to attract, retain and motivate them for the long-term success of the Group.

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.

Independent directors are paid directors' fees, subject to the approval of shareholders at the AGM. No additional fee is paid for their appointments on other Board Committees. The directors' fee 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 non-executive directors is not compromised by their compensation. Executive directors and the CEO do not receive directors' fees but are remunerated as members of management.

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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 2019 is as follows:

Name	Fixed Salary	Variable Income	Benefits in Kind	Total	Remuneration Band (S\$'000)
Executive Directors					
Dr Cheo Tong Choon @ Lee Tong Choon	83%	16%	1%	100%	2,750 to 3,000
Ms Michelle Cheo Hui Ning	80%	19%	1%	100%	1,000 to 1,250
Ms Bianca Cheo Hui Hsin	80%	19%	1%	100%	1,000 to 1,250
Ms Wong Lai Wan ⁽¹⁾	68%	27%	<5%	100%	250 to 500
Independent Non-Executive Directors					
Mr Robert Loke Tan Cheng	100%	-	-	100%	250 and below
Dr Foo Say Mui (Bill)	100%	-	-	100%	250 and below
Tan Sri Datuk Dr Ong Soon Hock	100%	-	-	100%	250 and below
Datuk Dr Fawzia Binti Abdullah	100%	-	-	100%	250 and below

Note:

⁽¹⁾ Ms Wong Lai Wan stepped down from Mewah Board on 31 December 2019.

Name	Family relationship with any director and/or substantial shareholder	Remuneration Band (S\$'000)
Employees who are substantial shareholder of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company (remuneration exceeding S\$100,000)		
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	400 to 500
Ms Cheo Chong Cher		200 to 300
Ms Cheo Sor Cheng Angeline		200 to 300
Ms Cheo Su Ching	Sibling of Dr Cheo Tong Choon @ Lee Tong Choon;	200 to 300
Ms Alicia Cheo		100 to 200
Ms Cheo Soh Hua @ Lee Soh Hua		200 to 300
Mr Cheo Teong Eng	Sibling of Dr Cheo Tong Choon @ Lee Tong Choon;	100 to 200

CORPORATE GOVERNANCE

Top Five Key Management Personnel

Remuneration paid to the top five KMP (who are not directors or the CEO) ranged between S\$300,000 and S\$1,500,000 and aggregated to S\$3,072,000 50%, 48%, and 2% of which were fixed salary, variable income and benefits in kind respectively.

In considering the disclosure of remuneration of the directors, immediate family members of a director or KMP, the Group measures the industry conditions in which the Group operates and considers the confidential nature of the remuneration. The Group believes that given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment in which the Group operates and the importance of ensuring stability and 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 on a named basis (who are not directors or the CEO).

Remuneration of executive directors and KMP 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 includes knowledge and understanding of the Group and 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 KMP 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 Director or KMP is involved in deciding his or her remuneration.

The Company did not have any Employee Share Schemes for the financial year 2019.

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 interests of the company and its shareholders

The Board is responsible for the governance of risk and ensures that management maintains a sound 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. Risk management is explained further in page 19 to 22.

Internal Audit

The internal audit ("IA") function of the Group is established to oversee the risk governance in the Group and maintained on an ongoing basis to ensure that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets. The IA is an independent function within the Group. The IA Department is headed by Mr Larry Cheng ("**Mr Cheng**"), and suitably qualified executives who meet the Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. Mr Cheng reports direct to the Chairman of Audit Committee. The Audit Committee approves the hiring, removal, evaluation, and compensation of the Group IA Manager. The Audit committee also annually reviews the scope of the internal audit to be carried out by the IA team. 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.

CORPORATE GOVERNANCE

The Group's IA conducts an annual review of the effectiveness of the Group's material internal controls, including financial, operational, compliance, information technology controls, and risk management systems. Any material non-compliance or failures 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.

The Group IA adopted a risk-based auditing approach that focuses on material internal controls, including financial, operational, compliance, information technology controls, and risk management systems. Audits were carried out on all significant business units in the Group, inclusive of limited review performed on dormant and inactive companies. All the Group IA's reports are submitted to the Audit Committee for deliberation with copies of these reports extended to the Chairman, CEO and the relevant Senior Management Officers. In addition, IA's summary of findings and recommendations are discussed at the Audit Committee meetings. The Audit Committee also meet's with IA without the presence of the Senior Management, to discuss any issues of concern.

Risk Management and Internal Control

The role of the IA function is to assist the Audit Committee to provide reasonable assurance that the Group maintains a sound system of internal controls by regular monitoring of key controls and procedures and ensuring their effectiveness, 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 are adequately resourced and have appropriate standing within the Group. The Audit Committee also review and ensure, on an annual basis, the independence, adequacy and effectiveness of the IA function.

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 is of the opinion that the Group's internal control and risk management systems are adequate and effective as at 31 December 2019 to address the financial, operational, compliance and information technology risks of the Group.

The internal control and risk management systems established by the Group provides 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.

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, 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 and information technology controls and risk management systems for the financial year ended 31 December 2019.

CORPORATE GOVERNANCE

AUDIT COMMITTEE

PRINCIPLE 10:

The Board has an Audit Committee which discharges its duties objectively.

Establishment 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 Tan Sri Datuk Dr Ong Soon Hock and Datuk Dr Fawzia Binti Abdullah as its members. The Board considers the members of the AC are 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 held four meetings in FY 2019. The AC has 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 Company’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.

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 and otherwise carry out its obligations under Rule 719 of the SGX-ST Listing Manual (for example, in relation to any suspected fraud or irregularity or suspected infringement of any Singapore laws or regulations or rules of the SGX-ST or any other regulatory authority of Singapore, which has or likely to have a material impact on the Company’s operating results or financial position);
- (ii) review the financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group (including the annual and quarterly reports and any other formal financial statements, reviewing significant financial reporting issues and judgements which they contain) 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 determined by the Board;
- (iv) review the assurance from the CEO and 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. AC shall oversee the selection process for new auditors and if an auditor resigns, AC shall investigate the issues leading to the resignation and decide whether any action is required;
- (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 enable adequate audit to be conducted;
- (vii) assess and review annually the adequacy, effectiveness, independence, scope and results of external audit and the Group’s internal audit function;
- (viii) review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- (ix) review and approve the annual internal and external audit plan;
- (x) review interested person 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 principal protected.

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

CORPORATE GOVERNANCE

External Auditors

The AC has conducted annual review on the independence and objectivity of the external auditors as well as 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 91 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 Company's external auditors at the forthcoming AGM.

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 activities or practices which are malpractice, illegal act 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 any malpractice, illegal acts or omissions by any of Group's employees or ex-employees and such reports will be treated fairly and be protected from reprisal.

Dealings in securities

The Group has adopted a Best Practice Code — Trading in Company's Securities. As per the policy, the Company, its directors and all employees of the Group are prohibited from dealing in the Company's shares two weeks before the announcement of the Group's first quarter, second quarter and third quarter results and one month before the announcement of full year results, and ending one business day after the announcement of the results. Directors and all employees are also prohibited from trading in the Company's securities on short-term considerations, defined as 30 days from last dealing; and in situations where the insider trading laws and rules would prohibit trading. The directors' interests in shares of the Company are disclosed on page 53 of this Report.

Key Audit matters

The AC considered and discussed the key audit matters, as disclosed on page 56 to page 57 of this Report, with management and the external auditors. The Audit Committee's assessment and conclusion is explained below:

Valuation of commodities forward contracts of the Group

The AC reviewed the overall valuation methodology adopted by management, including the different sources of prices for consistency and appropriateness. The Audit Committee's review also considered the work performed by the external auditors as well as an assessment of the sensitivity of the valuation to changes in the assumptions and the implications of the same and concluded that the valuation of the commodities forward contracts was reasonable.

CORPORATE GOVERNANCE

Interested Person Transactions

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 a normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The Company's disclosures in respect of interested person transactions for the financial year ended 31 December 2019 are as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all IPT during the period under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
		FY 2019 US\$'000	FY 2019 US\$'000
Prelude Gateway Sdn. Bhd.	An associate of the Company	96	3,447
Ecolex Sdn. Bhd.	An associate of the Chairman	32	10,356
Containers Printers Pte Ltd	An associate of sibling of the Chairman	NIL	847
Mr Cheo Seng Jin	Sibling of the Chairman	776	NIL
Mr Cheo Tiong Choon	Sibling of the Chairman	776	NIL
Kent Holidays (S) Pte Ltd	An associate of sibling of the Chairman	246	NIL
Choon Heng Logistics Pte Ltd	An associate of sibling of the Chairman	213	NIL
Futura Ingredients Singapore Pte Ltd	An associate of the Chairman	84	NIL

Material Contracts

There was no material contracts entered into by the Company or any of its subsidiaries involving the interests of the CEO, any director, or controlling shareholder subsisting at the end of financial year ended 31 December 2019 and no material contracts entered into since the end of the previous financial year.

CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

PRINCIPLE 11:

The company treats all shareholders fairly and equitably in 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.

The Company treats all shareholders fairly and equitably to enable the shareholders to exercise their shareholders' right and have the opportunity to communicate their views on matters affecting the Company.

All shareholders of the Company whose names are registered in the Depository Register and the Register of Members are entitled to attend the general meetings of the Company. If any shareholder is 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. Shareholders are informed of shareholders' meetings through notices published in the newspapers, the announcements released via SGXNET and reports or circulars sent to all shareholders. All shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders and have been informed of the rules, including voting procedures, which govern general meetings of shareholders. They are encouraged to meet with the Board and senior management to have a greater insight into the Group's developments. Voting in absentia by mail, facsimile or email has not been implemented as the authentication of shareholders' identity, integrity of the information and other related security issues still remain a concern.

At shareholders' meetings, each distinct issue is proposed as a separate resolution. Independent scrutineers are appointed to conduct the voting process and verify votes after each resolution. The results of the votes are announced at the shareholders' meetings. The outcome of general meeting will also be announced on the SGXNET and the Company website at www.mewahgroup.com after the general meeting.

All directors including the chairman of each Board Committee and the management are present at the AGM to allow shareholders to have the opportunity to communicate their views and ask directors or the management questions regarding the Company. The external auditors are also present at such meetings to assist the directors to address 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 32. The Company prepares minutes of general meetings which incorporate substantial and relevant comments or queries from shareholders and responses from the Board and Management and publishes these on the Company website.

Considering the present market conditions and after factoring the interim dividend of S\$0.0046 per ordinary share for the third quarter already paid to the shareholders, the Company did not recommend any final dividend for the fourth quarter. The Group explained its dividend payout in the Dividend Policy and this policy is available at the Company website at www.mewahgroup.com.

CORPORATE GOVERNANCE

ENGAGEMENT WITH SHAREHOLDERS

PRINCIPLE 12:

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

The Company has in place an Investor Relation Policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communications with shareholders. The Investor Relations Policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

The Group is committed to upholding high standard 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 in order to have a better insight into the Group's performance. The date of the release of quarterly results is disclosed at least two weeks prior to the date of announcement through SGXNET. On the day of 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 website at www.mewahgroup.com.

Following the amendments to the Listing Manual and to promote sustainability by conserving environmental and financial resources, the Company also make available a digital format of the Annual Report for FY2019 ("Annual Report"). The Annual Report, as well as Notice of AGM are published on the Company website at www.mewahgroup.com. All shareholders of the Company will receive the notice of AGM, two proxy forms and a request form to request for hard copies of the Annual Report.

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 interests of the company are served.

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

The Company maintains a corporate website, www.mewahgroup.com, to communicate and engage with stakeholders.

The Annual Report sets out the Group's Forward Looking Strategy on page 16 to page 17 and key areas of focus in managing stakeholder relationships at the Sustainability Report FY2019.