

# CORPORATE GOVERNANCE

The Board of Directors (the “**Board**” or the “**Directors**”) of Acesian Partners Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to maintaining good corporate governance to enhance and safeguard the interest of its shareholders. This report describes the corporate governance framework and practices of the Company with reference to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) and the accompanying Practice Guidance to the Code for the financial year ended 31 December 2024 (“**FY2024**”). Explanations are provided where there are deviations from the Code. The Company has complied with the principles and provisions of the Code where appropriate.

## 1. BOARD MATTERS

### 1.1. 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.**

The primary function of the Board is to protect and enhance long-term value and returns for shareholders. The Board oversees the business affairs of the Company, puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. Besides carrying out its statutory responsibilities, the Board’s roles include:

- Providing entrepreneurial leadership and stewardship to the Company including charting its corporate strategies and business plans;
- Ensuring that the necessary financial and human resources are in place for the Company to meet its objectives;
- Authorising and monitoring major investment, acquisitions, legal initiatives and strategic commitments;
- Reviewing and assessing the performance of the Management;
- Overseeing the evaluation of the adequacy of internal controls, addressing risk management, financial reporting and compliance, and satisfying itself as to the sufficiency of such processes;
- Establishing a framework for effective control, including the safeguarding of shareholders’ interests and the Company’s assets;
- Providing guidance and advice to Management;
- Being responsible for good corporate governance;
- Considering sustainability issues, including environmental and social factors, as part of the Company’s strategic formulation;
- Identifying key stakeholder groups of the Company and recognising that their perceptions affect the Company’s reputation; and
- Setting the Company’s values and standards, including ethical standards, and ensuring that the obligations to its shareholders and other stakeholders are understood and met.

Directors are aware of their duties at law, which includes acting in good faith and the best interests of the company, exercising due care, skills and diligence, and avoiding conflicts of interest. Formal communication from the Company are given to each director on their appointment, roles, duties, obligations and responsibilities, and expectations of the Company.

Accordingly, all Directors are expected to discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

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The Board has also adopted strict internal guidelines and a financial authority limits structure setting forth matters that require Board approval. The Board's decision or specific approval is required on matters such as trade procurement exceeding S\$2,000,000, capital expenditure, major funding proposals, investment and divestment proposals, major acquisitions and disposals, corporate or financial restructuring, mergers and acquisitions, share issuance and dividends, acceptance of bank facilities, release of the Group's half year and full year results announcements and interested person transactions of a material nature.

The Company's Constitution permits the Directors of the Company to attend meetings by means of telephone conference, audio-visual or other similar communications means.

In between the scheduled meetings, the Board may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing.

### ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

	Board	Audit Committee	Remuneration Committee	Nominating Committee
<b>No. of meetings held in FY2024</b>	4	4	1	1
<b>Directors</b>	<b>Number of meetings attended in FY2024</b>			
Neo Gim Kiong	3	3	1	1
Loh Yih	4	4 <sup>(1)</sup>	1 <sup>(1)</sup>	1 <sup>(1)</sup>
Quek Pok Yeow, Stephen <sup>(3)</sup>	2	2	0	0
Low Ka Choon Kevin <sup>(2)</sup>	2	2	1	1
Ho Ta-Huang	2	2	0	0

#### Notes:

<sup>(1)</sup> Attendance by invitation.

<sup>(2)</sup> Mr. Low Ka Choon Kevin retired at the Company's annual general meeting ("AGM") held on 25 April 2024 and stepped down as an Independent Non-Executive Director, Chairman of the Remuneration Committee, and a member of the Audit Committee and the Nominating Committee of the Company.

<sup>(3)</sup> Mr. Quek Pok Yeow, Stephen was appointed on 5 July 2024 as an Independent Non-Executive Director, Chairman of the Remuneration Committee, and a member of the Audit Committee and the Nominating Committee of the Company.

To assist the Board in the discharge of its responsibilities, the Board has established the Audit Committee, Nominating Committee and Remuneration Committee (collectively referred to as the "**Board Committees**"). Upon establishment, the Board Committees operate within clearly defined terms of reference setting out their compositions, authorities and duties, and operating procedures (including reporting back to the Board), which would be reviewed on a regular basis to ensure continued relevance and consistency with the Code. Minutes of all Board Committees meetings will be circulated to the Board so that the Directors are aware of and kept updated as to the proceedings and matters discussed during such meetings.

### ACCESS TO INFORMATION

The Company recognises the importance of continual dissemination of relevant information which is explicit, accurate, timely and vital to the Board in carrying out its duties. The Management reports to the Board the Company's progress and drawbacks in meeting its strategic business objectives or financial targets and other information relevant to the strategic issues encountered by the Company in a timely and accurate manner. Prior to each Board meeting, the Board members are each provided with the relevant documents and the necessary information to allow the Board to comprehensively understand the issues to be deliberated upon and to make informed decisions thereon, including periodic financial summary reports, budgets, forecasts and other disclosure documents. In respect of budgets, any material variances between projections and actual results of the Group will be reviewed by the Directors, and will be disclosed and explained by the Company to the shareholders. Directors are also entitled to request from Management additional information required to make informed decisions, which the Management will provide in a timely manner.

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In exercising their duties, the Directors have unrestricted, separate and independent access to the Company's Management, company secretary ("**Company Secretary**") and independent auditors. The Company Secretary attends all Board meetings of the Company, ensures a good flow of information within the Board and between the Management and the Non-Executive Directors, and is responsible to the Board for advising on corporate and administrative matters, as well as facilitating orientation and assisting with professional development as required. The appointment and the removal of the Company Secretary is a matter to be approved by the Board as a whole.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil his duties and responsibilities as Director.

## 1.2. 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.**

The Board currently consists of four (4) Directors as follows:

Neo Gim Kiong	Non-Executive Chairman and Lead Independent Non-Executive Director
Loh Yih	Executive Director and Managing Director
Quek Pok Yeow, Stephen	Independent Non-Executive Director (Appointed on 5 July 2024)
Ho Ta-Huang	Non-Independent Non-Executive Director

The Company endeavours to maintain a strong and independent element on the Board. At present, two (2) of the Company's Directors, including the Chairman, are Independent Non-Executive Directors, constituting half of the Board. These Independent Directors, together with a Non-Executive and Non-Independent Director, make up a majority of the Board, which complies with Provision 2.3 of the Code, as well as the requirement under Rule 406(3)(c), *inter alia*, that the Board must have at least two non-executive directors who are independent and free of any material business or financial connection with the Company. As such, there is currently a strong and independent element on the Board.

The Board considers an Independent Director as one who has no relationship with the Company, its related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent judgment of the Group's affairs with a view in the best interests of the Company.

Each Independent Non-Executive Director has, on an annual basis, provided a declaration of his independence. The Independent Directors have confirmed that they are independent in conduct, character and judgment, and they have no relationship (including those provided in Provision 2.1 of the Code) with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment in the best interests of the Company. The independence of each Director will be reviewed annually by the Nominating Committee in accordance with the requirements of Provision 2.1 of the Code. The Nominating Committee has reviewed and is of the view that the Independent Directors are independent and free from any relationships outlined in the Code. Accordingly, the Nominating Committee and the Board consider each of the Independent Non-Executive Directors to be independent based on the considerations of the requirements in Provision 2.1 of the Code and the declarations made by each of the Independent Non-Executive Directors.

As of the date of this report, both Independent Directors, Mr. Neo Gim Kiong and Mr. Quek Pok Yeow, Stephen, have not served on the Board beyond an aggregate period of more than 9 years (whether before or after listing).

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A review of the size of the Board will be undertaken by the Company, and the Nominating Committee will also determine if the current size and composition of the Board are appropriate for the scope and nature of the Group's operations, and facilitate effective decision-making. In line with the Code, the Nominating Committee will take into account the requirements of the Group's businesses and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. The Nominating Committee considers the current Board size to be appropriate for effective decision-making, taking into account the nature and scope of the Group's operations.

The composition of the Board will be reviewed on an annual basis by the Nominating Committee to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Nominating Committee has reviewed and is of the view that the current Board comprises persons who as a group provide the appropriate balance and diversity of skills, experience and capabilities required for the Board to be effective, and the present composition of the Board allows it to exercise objective judgment on corporate matters, foster constructive debate, and avoid groupthink, and that no individual or small group of individuals dominates the decision-making process of the Board.

The Board recognises that board diversity is an essential element contributing to a well-functioning and effective Board, as well as the sustainable development of the Group. The Board has in place a Board Diversity Policy, the objectives of which are to promote and enhance the decision-making process of the Board through the perspectives derived from the professional expertise, business experience, industry discipline, skills, knowledge, gender, age, educational background, ethnicity and culture, geographical background, nationalities and other diverse qualities of the Board members. The Board evaluated its diversity and is of the view that the current composition of the Board, including its diversity, is appropriate and serves the requirements of the Group's businesses. In the evaluation of the composition and diversity of the Board and making recommendations to the Board for the appointment of its members, the Nominating Committee considered the various aspects of board diversity, and set practical timelines to implement the policy. It will also report to the Board on an annual basis on the progress made in promoting and achieving its board diversity objectives.

The Non-Executive Directors effectively check on Management by constructively challenging and helping to develop proposals on strategy. They monitor and review the reporting and performance of Management in meeting agreed goals and objectives. The Non-Executive Directors may meet regularly on their own as warranted without the presence of Management.

The profiles of the Directors are set out on page 4 of this Annual Report.

Upon appointment to the Board, each Director will be given appropriate briefings by the Management on the business activities of the Group, its strategic direction and the Company's corporate governance policies and practices.

The Company has an orientation program for all new Directors, and the Directors also have the opportunity to visit the Group's operating facilities to gain a better understanding of the Group's business operations. Directors who are first-time directors, or who have no prior experience as directors of a listed company will undergo the Listed Entity Director Programme conducted by the Singapore Institute of Directors ("SID"), and will also undergo briefings on the roles and responsibilities as directors of a listed company.

All newly appointed Directors will receive a formal letter from the Company setting out the duties and responsibilities as a Director, along with an information pack containing the Company's annual report, Constitution, respective Board committees' terms of reference (where applicable), as well as a template director's disclosure form pertaining to his obligations in relation to disclosure of interests in securities and conflict of interests.

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The Directors are provided with continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, as well as changes in the relevant provisions of the Singapore Companies Act 1967 ("**Companies Act**") and the Catalist Rules of the SGX-ST, so as to update and refresh them on matters that affect or may enhance their performance as Board or Board committee members. They are also informed of and are encouraged to attend relevant seminars such as those organised by the SGX-ST, SID and other external professional organisations to keep abreast of developments relevant to their roles.

### 1.3. Chairman and CEO

**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 Non-Executive Chairman and Lead Independent Non-Executive Director as at the date of this report is Mr. Neo Gim Kiong and the Managing Director is Mr. Loh Yih whose role is to focus on corporate development activities and expansion of the Group's businesses. The Company currently does not have a Chief Executive Officer. Instead, the Company appointed Mr. Lai Chi Wan as General Manager, whose role is to oversee the overall business direction, sales and operation of the Group.

The Non-Executive Chairman leads the Board to ensure its effectiveness on all aspects of its role. He approves the agendas for the Board, and ensures that adequate time is available for discussion of all agenda items during the meetings, in particular strategic issues. The meeting agendas for Board Committees are approved by the Non- Executive Chairman together with the respective chairpersons of the Board Committees.

The Non-Executive Chairman also exercises control over the quality, quantity and timeliness of information flow between the Board, the Management and the shareholders of the Company. He encourages interactions between the Board and the senior management, as well as between the Executive and Non-Executive Directors, and promotes a culture of openness and debate at the Board. The Non-Executive Chairman also ensures that the Directors receive complete, adequate and timely information and ensures effective communication with shareholders. In addition, the Non-Executive Chairman takes a leading role in ensuring the Company's compliance with corporate governance principles and provisions.

The Board is of the view that the separation of the roles of Non-Executive Chairman and Managing Director ensures an appropriate balance of power, increased accountability and sufficient capacity of the Board for independent decision making. The Non-Executive Chairman and the Managing Director are not related to each other.

Mr. Neo Gim Kiong has been appointed as the Non-Executive Chairman and Lead Independent Non-Executive Director of the Company to lead and coordinate the activities of the Independent Directors and to address the concerns, if any, of the Company's shareholders for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate. Led by the Lead Independent Director, the Independent Directors will also meet periodically without the presence of the other Directors, for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary, and the Lead Independent Director will provide feedback to the Board after such meetings. The Lead Independent Director is contactable through a dedicated email address which is displayed in the Company's website.

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## 1.4. 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 Nominating Committee

The Company has constituted a Nominating Committee to, among other things, make recommendations to the Board on all Board appointments and oversee the Company's succession and leadership development plans. As of the date of this report, the Nominating Committee comprises Mr. Neo Gim Kiong (Chairman of the Nominating Committee), Mr. Quek Pok Yeow, Stephen, and Mr. Ho Ta-Huang, the majority of whom, including the Chairman, are independent (which is in compliance with Provision 4.2 of the Code).

The primary function of the Nominating Committee is to determine the criteria for identifying candidates, review nominations for the appointment of Directors to the Board, decide how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval. Its duties and functions are outlined as follows:

- (a) to make recommendations to the Board on all Board appointments and re-nomination having regard to the Director's contribution and performance (e.g. attendance, preparedness, participation, candour and any other salient factors);
- (b) to ensure that all Directors would be required to submit themselves for re-nomination and re-election at regular intervals and at least once in every three years;
- (c) to determine annually whether a Director is independent, in accordance with the principles and provisions contained in the Code;
- (d) to decide whether a Director is able to and has adequately carried out his duties as a Director of the Company, in particular, where the Director has multiple board representations;
- (e) to review and approve any new employment of related persons and the proposed terms of their employment;
- (f) to put in place and review Board succession plans for the Directors, and in particular, for the Chairman of the Board, the Chief Executive Officer or Managing Director of the Company, and key management personnel;
- (g) to decide how the performance of the Board, Board committees and directors may be evaluated and to propose objective performance criteria, subject to the approval of the Board, which address how the Board has enhanced long term shareholders' value; and
- (h) to review the training and professional development programs for the Board.

In reviewing succession plans, the Nominating Committee has in mind the Company's strategic priorities and the factors affecting its long-term success. In relation to Directors, the Nominating Committee aims to maintain an optimal Board composition by considering the trends affecting the Group, reviewing the skills needed, and identifying gaps which includes considering whether there is an appropriate level of diversity of thought. In relation to key management personnel, the Nominating Committee takes a keen interest in how key talent is managed within the organization, including the mechanisms for identifying strong candidates and developing them to take on senior positions in the future.

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The Board has implemented a process to be carried out by the Nominating Committee 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. Each member of the Nominating Committee shall abstain from voting on any resolution and making any recommendations and/or participating in any deliberations of the Nominating Committee in respect of the assessment of his performance or re-nomination as a Director.

There is a formal and transparent process for the appointment of new Directors to the Board. The Nominating Committee reviews and recommends all new Board appointments and also the re-nomination and re-appointment of Directors to the Board, with a view to advancing the Company's objective of promoting board diversity. The Nominating Committee uses its best efforts to ensure that Directors appointed to the Board possess the background, experience and knowledge in technology, business, finance and management skills critical to the Company's business and that each Director contributes and brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

In the nomination and selection process of a new Director, the Nominating Committee identifies key attributes of an incoming Director based on the requirements of the Group and recommends to the Board the appointment of the new Director. The Nominating Committee will use various channels in search of appropriate candidates, such as through Directors and Management's personal networks, or enlisting external help from the Singapore Institute of Directors or professional consultants, and will take into consideration the current Board size and its composition – including the mix of expertise, skills and attributes of the Directors and determine if the candidate's background, experience and knowledge will bolster the core competencies of the Board. In identifying potential new Directors, the Nominating Committee will also consider the various aspects of board diversity, including gender diversity, and will meet with shortlisted candidates to assess their suitability, if necessary, before making a recommendation to the Board. A stringent due diligence process will be performed on every potential candidate which will include, among others, whether a candidate has fully discharged his/her duties and obligations during his/her previous directorship of an SGX-listed company, whether the candidate had previously served on the board of a company with an adverse track record or with a history of irregularities or is or was under investigation by regulators, and seek clarity on the candidate's involvement therein.

Annually, the Nominating Committee will assess the independence of each Director, the performance of the Board as a whole, and the contribution of each Director to the effectiveness of the Board. The Nominating Committee has conducted an annual review of the independence of the Independent Directors, based on the requirements of the Code, and has ascertained that they are independent. The Nominating Committee is also required to determine whether Directors who hold multiple board representations are able to and have been devoting sufficient time to discharge their responsibilities adequately. As a guide, the Nominating Committee and the Board have determined the maximum number of board representations on other listed companies that their Directors may hold to be six (6) based on its assessment of the time commitment requirements for the Group and the board representations each Director can reasonably be expected to manage. The Nominating Committee has reviewed and is satisfied that each Director has adequately discharged his duties and has contributed effectively and demonstrated commitment to his respective roles including his commitment of time for the Board and Board Committee meetings, attention given to the Company's affairs and any other duties in FY2024.

All Directors are subject to the provisions of Regulation 89 of the Company's Constitution whereby one-third of the Directors are required to retire and subject themselves to re-election by the shareholders at each AGM, and each Director is required to subject himself for re-nomination and re-election at least once every three (3) years. In addition, any new Director appointed during the year either to fill a casual vacancy or as an addition to the Board will have to retire at the AGM following his appointment, and is eligible for re-election if he desires so.



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At the forthcoming AGM, Mr. Loh Yih is due for retirement by rotation under Regulation 89 of the Company's Constitution. Mr. Loh Yih had submitted himself for re-nomination and re-election. The Nominating Committee has reviewed and recommended to the Board that Mr. Loh Yih be nominated for re-election at the forthcoming AGM of the Company. Mr. Loh Yih will, upon re-election, remain as an Executive Director and Managing Director of the Company. Mr. Quek Pok Yeow, Stephen will cease to hold office at the forthcoming AGM and be eligible for re-election under Regulation 88 of the Company's Constitution. Mr. Quek Pok Yeow, Stephen had submitted himself for re-nomination and re-election. The Nominating Committee has reviewed and recommended to the Board that Mr. Quek Pok Yeow, Stephen be nominated for re-election at the forthcoming AGM of the Company. Mr. Quek Pok Yeow, Stephen will, upon re-election as Director, remain as Independent Non-Executive Director of the Company, Chairman of Remuneration Committee and a member of the Audit Committee and the Nominating Committee. The current directorships and other principal commitments of Mr. Loh Yih and Mr. Quek Pok Yeow, Stephen are found in the table below.

Key information regarding the Directors, including the dates of initial appointment and last re-election of each Director, together with their directorships in other listed companies, are set out on page 4 of this Annual Report and as follows:

Name of Director	Date of Initial Appointment	Date of Last Re-election	Current Directorship in other Listed Companies	Past 3 Years Directorship in other Listed Companies	Other Principal Commitments
Loh Yih	30 September 2013	27 April 2022	Nil	Ban Leong Technologies Limited	Nil
Neo Gim Kiong	2 August 2018	25 April 2024	Ban Leong Technologies Limited Asia Enterprises Holding Limited	Nil	Nil
Quek Pok Yeow, Stephen	5 July 2024	Not Applicable	Giti Tire Corporation, China Shanghai	Nil	Chief Executive Officer of Metro Transit Solutions Pte Ltd
Ho Ta-Huang	7 December 2001	27 April 2023	Nil	Nil	Chairman of Chern Dar Enterprise Co., Ltd

There are no alternate directors appointed in the Company.



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**Additional information relating to the Directors who are retiring and being eligible, are offering themselves for re-election at the forthcoming AGM pursuant to Rule 720(5) of the Catalist Rule, is as follows:**

Details	Director	Director
	Loh Yih	Quek Pok Yeow, Stephen
Date of initial appointment	30 September 2013	5 July 2024
Date of last re-election	27 April 2022	Not Applicable
Age	61	45
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of Directors has accepted the Nominating Committee's recommendation, who has reviewed and considered Mr. Loh's performance and contribution as Executive Director and Managing Director of the Company.	The Board of Directors has accepted the Nominating Committee's recommendation, who has reviewed and considered Mr. Quek's performance and contribution as Independent Non- Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Managing Director	Independent Non-Executive Director, Chairman of Remuneration Committee, and member of Audit Committee and Nominating Committee
Professional qualifications	Bachelor of Accountancy	Bachelor of Banking and Finance
Working experience and occupation(s) during the past 10 years	2018 to Present Executive Director and Managing Director of Acesian Partners Limited  2013 to 2018 Executive Director and Chairman of Acesian Partners Limited	2013 to Present CEO of Metro Transit Solutions Pte Ltd  2019 to Present CEO of MTS Systems Engineering Pte Ltd  2018 to 2020 Executive Director of GHY Culture & Media (Singapore) Pte Ltd
Shareholding interest in the listed issuer and its subsidiaries	Direct interest of 100,877,558 ordinary shares (21.35%) and deemed interest of 47,380,000 (10.02%) ordinary shares in the share capital of the Company (excluding treasury shares)	Direct interest of 8,600,000 ordinary shares (1.82%) and deemed interest of 1,000,000 (0.21%) ordinary shares in the share capital of the Company (excluding treasury shares)

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Details	Director	Director
	Loh Yih	Quek Pok Yeow, Stephen
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
<b>Other Principal Commitments including Directorships</b>		
Past (for the last 5 years)	International Press Softcom Limited Ban Leong Technologies Limited Shangdong Heavy Industry Group	Indana Pte Ltd QFin Asia Pte Ltd Perfect Credit Pictures (Singapore) Pte Ltd Xinfei Digital Pte Ltd Udaan Pte Ltd DTRO Singapore Pte Ltd Absolute AI Asia (SG) Pte Ltd
Present	MGF Management Pte Ltd Cavangh Group Pte Ltd MGF Capital Limited Memontum Pte Ltd Pillocom Pte Ltd	Giti Tire Corporation, China Metro Transit Solutions Pte Ltd MTS Systems Engineering Pte Ltd MTS M&E Pte Ltd Key Direction (Singapore) Pte Ltd SML Capital Pte Ltd SML Holdings Pte Ltd SML Solutions Pte Ltd Tres Engineering Consultants Pte Ltd

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Details	Director	Director
	Loh Yih	Quek Pok Yeow, Stephen
<b>Information required pursuant to Catalist Rule 704(6)</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?	No	No
(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?	Yes <sup>(1)</sup>	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

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Details	Director	Director
	Loh Yih	Quek Pok Yeow, Stephen
(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
(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

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Details	Director	Director
	Loh Yih	Quek Pok Yeow, Stephen
(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
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes <sup>(2)</sup>	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
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		

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Details	Director	Director
	Loh Yih	Quek Pok Yeow, Stephen
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	Yes <sup>(3)</sup>

<sup>(1)</sup> The Company's wholly-owned subsidiary, Acesian Star (S) Pte. Ltd. ("**ASPL**") is under liquidation by an Order of Court made on 12 October 2020.

<sup>(2)</sup> Mr. Loh Yih was an Independent Non-Executive Director and a member of the Audit Committee of Trek 2000 International Limited ("**Trek2000**") from May 2017 to May 2018. He assisted in the investigations of suspicious transactions and management irregularities in Trek2000. Subsequently, he resigned on 8 May 2018.

<sup>(3)</sup> Mr. Quek Pok Yeow, Stephen, assisted in a CPIB investigation in relation to certain transactions in August 2022 with a supplier. He attended an interview in July 2023 to provide clarification on the transactions. Following the interview by CPIB, he was subsequently informed by CPIB that he is not required to provide any further assistance in this matter.

<sup>(4)</sup> Mr. Quek Pok Yeow, Stephen, has completed the Mandatory Training as prescribed in the Catalyst Rules.

### 1.5. 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.**

Review of the Board's performance will be conducted by the Nominating Committee annually. The Nominating Committee is guided by its terms of reference which sets out its responsibility for assessing the Board's effectiveness as a whole, the effectiveness of its Board Committees, and the contribution from each individual Director to the effectiveness of the Board. The Board, through the delegation of its authority to the Nominating Committee, has used its best efforts to ensure that Directors appointed to the Board possess the background, experience and knowledge in technology, business, legal, finance and management skills critical to the Company's business and that each Director contributes and brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

In assessing the effectiveness of the Board, the Nominating Committee considers a number of factors, including the discharge of the Board's functions, access to information, participation at Board meetings and communication and guidance given by the Board to the Management. The Nominating Committee's focus in the assessment of the Board's effectiveness is on its ability to provide supervision and oversight to the Management.

With regard to the performance evaluation process, each Director will complete an evaluation questionnaire to assess the performance of the Board as a whole and his individual performance, and provide the feedback to the Nominating Committee. Each member of the Audit Committee, Nominating Committee and Remuneration Committee will also complete evaluation questionnaires in respect of the Audit Committee, Nominating Committee and Remuneration Committee respectively. A summary report will be compiled by the Chairman of the Nominating Committee and submitted to the Chairman of the Board for analysis and discussion with a view to implement certain recommendations to further enhance the effectiveness of the Board. If necessary, a copy of the summary report will be extended to the individual Director for information and feedback. No external facilitator was used in the evaluation process.

# CORPORATE GOVERNANCE

In reviewing the Board's effectiveness as a whole, the Nominating Committee shall take into account feedback from Board members as well as the Director's individual skills and experience. The Nominating Committee will also consider the principles set out in the Code for the evaluation and assessment of the performance of the Board as a whole in achieving strategic objectives. The Nominating Committee is of the view that although some of the Directors have multiple board representations, these Directors are able and have been adequately carrying out their duties as Directors of the Company.

The Nominating Committee, having reviewed the overall performance of the Board and the respective committees in terms of its roles and responsibilities and the conduct of its affairs as a whole, and each individual Director's performance, is of the view that the performance of the Board, the respective committees and each individual Director has been satisfactory.

## 2. REMUNERATION MATTERS

### 2.1. 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.**

As of the date of this report, the Remuneration Committee comprises Mr. Quek Pok Yeow, Stephen (Chairman of the Remuneration Committee), Mr. Neo Gim Kiong and Mr. Ho Ta-Huang, the majority of whom, including the Chairman, are independent (which is in compliance with Provision 6.2 of the Code).

The Remuneration Committee meets at least once a year and is regulated by a set of written terms of reference that sets out its duties and responsibilities. Amongst them, the Remuneration Committee shall:-

- (a) recommend to the Board a framework of remuneration for the Board and determine the specific remuneration package for each Executive Director and the key management personnel of the Company. The Remuneration Committee's recommendations should cover all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options, benefits-in-kind and termination terms, to ensure that they are fair;
- (b) review, on an annual basis, the remuneration and any adjustments to the remuneration of employees who are related to the Directors and substantial shareholders of the Company, to ensure that their remuneration packages are in line with the Group's employee remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of the Remuneration Committee;
- (c) review the remuneration of the Executive Directors within a reasonable period from the Board's approval of the audited financial statements for the immediate preceding financial year and review the remuneration of the key management personnel (who are not Directors or the Chief Executive Officer/ Managing Director) of the Company at the end of each calendar year;
- (d) determine performance-related elements of remuneration to align the interests of the Executive Directors with those of shareholders and link rewards to corporate and individual performance. Performance assessment measures should be appropriate and meaningful;
- (e) consider whether Directors should be eligible for benefits under long-term incentive schemes;
- (f) administer the Company's performance bonus share plan;
- (g) consider and make recommendations to the Board concerning the disclosure of details of the Company's remuneration policy, level and mix of remuneration and procedure for setting remuneration, and the details of the specific remuneration packages of the Directors and key executives of the Company, in addition (if appropriate) to those required by law or by the Code.



## CORPORATE GOVERNANCE

Each member of the Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package. The overriding principle is that no Director should be involved in deciding his own remuneration. The Remuneration Committee has met to consider and review the remuneration packages of the Executive Directors and key management personnel, including those employees related to the Executive Directors and substantial shareholders of the Company, to ensure that they are appropriate and proportionate to the sustained performance and value creation of the Group.

The Remuneration Committee may from time to time, and where necessary or required, engage independent external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management and ensure that existing relationships, if any, between the Company and its appointed consultants will not affect the independence and objectivity of the consultants. Among other matters, this helps the Company to stay competitive in its remuneration packages. No independent external consultants have been engaged by the Company for this purpose for FY2024.

### 2.2. 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.**

In setting remuneration packages, the Remuneration Committee takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors.

The Independent Directors and Non-Executive Directors receive fixed Directors' fees plus a variable component, in accordance with their contribution, taking into account factors such as effort, time spent, and responsibilities of each Director. The Remuneration Committee recognises the need to pay competitive fees to attract, motivate and retain such Independent Directors and Non-Executive Directors, yet not over-compensate them to the extent that their independence (if applicable) may be compromised. Directors' fees are recommended by the Board for approval by the shareholders at the Company's AGM.

The Company's Executive Directors are remunerated in accordance with their respective service agreements with the Company. The Remuneration Committee reviews and recommends to the Board the remuneration package (including appropriate compensation in the event of early termination) of the Executive Directors, and aims to be fair and avoid rewarding inadequate performance. The terms of the Executive Directors' service agreements were approved by the Board. Pursuant to the service agreements, the remuneration comprises a fixed salary and performance bonuses linked to corporate and individual performances where appropriate, and is designed to align the interests of the Executive Directors with those of shareholders. Independent and Non-Executive Directors do not have service agreements with the Company.

The Group has also entered into letters of employment with key management personnel. Such letters typically provide for the salaries payable to the key management personnel, their working hours, medical benefits, grounds of termination and certain restrictive covenants. The Remuneration Committee is satisfied that the termination clauses set out in the service agreements and in the letters of appointment are fair and reasonable to the parties, and are not overly generous.

The Company's compensation framework comprises fixed pay and short-term and long-term incentives. The Company subscribes to linking executive remuneration to corporate and individual performance, based on an annual appraisal of employees and using indicators such as core values, competencies, key result areas, performance rating, and potential of the employees. Long-term incentive schemes are put in place to motivate and reward employees and align their interests with the interests of shareholders to promote the long-term success of the Company.

## CORPORATE GOVERNANCE

The Company has a performance bonus share plan known as the Acesian Performance Bonus Share Plan 2022 ("PSP 2022"), approved and adopted by shareholders at the Company's AGM held on 27 April 2022 and renewed by shareholders at its AGM held on 27 April 2023 and on 25 April 2024. Details of the PSP 2022 can be found in the Company's circular to shareholders dated 4 April 2022. The PSP 2022 is administered by the Remuneration Committee of the Company (currently comprising Mr. Quek Pok Yeow, Stephen, Mr. Neo Gim Kiong and Mr. Ho Ta-Huang). Share awards were granted to some employees of the Group in FY2023, total awards of which 1,431,378 share awards had vested on 16 May 2024, pursuant to which the Company transferred 1,431, 378 treasury shares to the relevant employees on 17 May 2024. No share award was granted to directors and controlling shareholders of the Company (and their associates) during FY2024.

The Company has not adopted the use of contractual provisions in the terms of the contracts of service of the Executive Directors and key management personnel to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Company will review the feasibility of having such contractual provisions in future renewals of service agreements and/or employment contracts of its Executive Directors and key management personnel as recommended by the Code.

### 2.3. Disclosure on Remuneration

**Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

The independent directors do not enter into service agreements with the Company. They are paid directors' fees, the amount of which is dependent on their level of responsibilities. The amount of directors' fees payable to independent directors is subject to shareholders' approval at the Company's AGM.

The Company advocates a performance-based remuneration system that is flexible and responsive to the market and the performance of the Company and the individual employee. This allows the Company to better align executive compensation with shareholders' value creation. The total remuneration mix comprises annual fixed cash and annual performance incentive. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances. The annual performance incentive is tied to the performance of the Company and the individual employee.

For the purpose of assessing the performance of Executive Directors and other key management personnel, key performance targets are set out at the beginning of each financial year.

The Company's staff remuneration policy is based on each individual's rank and role, the individual performance, the Group's performance and industry benchmarking gathered from companies in comparable industries. The remuneration of Non-Executive Directors takes into account their level and quality of contribution and their respective responsibilities, including attendance and time spent at Board meetings and Board Committees' meetings. Non-Executive Directors who perform services through Board Committees will be paid additional basic and attendance fees for such services. No Director decides his own fees. Directors' fees will be reviewed periodically to benchmark such fees against the amounts paid by other major listed companies.

## CORPORATE GOVERNANCE

The breakdown of remuneration of the Directors of the Company for FY2024 are as follows:

Directors/ Managing Director	Fees (\$)	Fees %	Remuneration paid (\$)	Salaries %	Bonus %	Other Benefits %	Total %
Loh Yih	–	–	583,493	85	4	11	100
Neo Gim Kiong	30,000	100	–	–	–	–	100
Low Ka Choon Kevin <sup>(1)</sup>	6,339	100	–	–	–	–	100
Quek Pok Yeow, Stephen <sup>(2)</sup>	9,836	100	–	–	–	–	100
Ho Ta-Huang	30,000	100	–	–	–	–	100

**Notes:**

- <sup>(1)</sup> Mr. Low Ka Choon Kevin retired at the Company's AGM held on 25 April 2024 and stepped down as an Independent Non-Executive Director, Chairman of the Remuneration Committee, and a member of the Audit Committee and the Nominating Committee of the Company.
- <sup>(2)</sup> Mr. Quek Pok Yeow, Stephen, was appointed on 5 July 2024 as an Independent Non-Executive Director, Chairman of the Remuneration Committee, and a member of the Audit Committee and Nominating Committee of the Company.

Based on the Group's current organisational structure, the Company only identified two key management personnel (who are not Directors or the Managing Director of the Company), instead of five as required by the Code. The breakdown of remuneration of the key management personnel of the Group for FY2024 is as follows:

Key Management Personnel	Salaries %	Bonus %	Other Benefits %	Total %
<b>Below S\$250,000</b>				
Lai Chi Wan*	92	8	–	100
Choo Wai Leong	92	8	–	100

\* Lai Chi Wan was appointed as General Manager of the Company on 6 February 2024.

The total remuneration paid to the above-mentioned key management personnel (who are not Directors or the Managing Director) for FY2024 is disclosed in bands. Save for the key management personnel described in the table above, the Company does not have any other key management personnel. The Company continues to disclose remuneration in bands in order to lower the risk of competitors poaching the Company's staff. The Company has not disclosed the exact amount of the remuneration of its key management personnel as it is not in the best interests of the Company and the employees to disclose such details due to the sensitive nature of such information. The aggregate remuneration paid to the key management personnel (who are not Directors or the Managing Director) in FY2024 is S\$418,761 (inclusive of CPF contribution).

The Company confirms that no employee of the Group is a substantial shareholder of the Company, immediate family member of any Director or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during FY2024.

There are no termination, retirement and post-employment benefits granted to Directors, and the two key management personnel.

# CORPORATE GOVERNANCE

## 3. ACCOUNTABILITY AND AUDIT

### 3.1. Accountability

The Board believes that it should conduct itself in ways that deliver maximum sustainable value to its shareholders. Timely releases of the Group's financial results and all significant information to shareholders as well as the prompt fulfilment of statutory requirements are ways to maintain shareholders' confidence and trust in the Board's capability and integrity.

Currently, the Company is required to release half year and full year results announcements pursuant to the Catalist Rules. In this respect, the Board, with the assistance of the Management, strives to provide a balanced and understandable assessment of the Group's performance, position and prospects. The Board also undertakes such effort with respect to other price sensitive public reports and reports to regulators, where required. Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings.

The Management is responsible to the Board and the Board itself is accountable to the shareholders of the Company. The Board is provided with the management accounts of the Group's performance and position on a monthly basis.

The Board has also established written policies of the Company to ensure compliance of the Company with legislative and regulatory requirements, including requirements under the Catalist Rules.

### 3.2. 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 overall internal control framework and policies and is fully aware of the need to put in place a system of internal controls within the Group to safeguard the interests of the Group and its shareholders, and to manage risks. The Board also oversees Management in the design, implementation and monitoring of the risk management and internal control systems. The Board and Audit Committee will review on an annual basis the adequacy and effectiveness of the Company's risk management and internal controls system, including financial, operational, compliance and information technology controls.

The Board believes that adequate internal controls within the Group are crucial to ensure that the Group continues to meet or exceed its standards in all key aspects, and at the same time, to safeguard shareholders' interest and the Group's assets through effective risk management. The internal control matter is further described in below section 3.4.

The Company engaged Yang Lee & Associates, internal auditor of the Company, to conduct a risk assessment and management (including emerging risks) as well as risk management framework exercise for the Group in FY2022. The risk assessment considered emerging risk. The risk management process is a continual process that involves five key activities, namely, communication and consultation, establishing the context, risk assessment, risk treatment, monitoring and review. Each risk identified is assigned with a risk level to determine the actions required. There were altogether 13 Group level risks identified, segregated into 4 categories, namely strategic, operational, financial and compliance. The medium and high risk areas in the 4 categories are as follows:

- Strategic risk: intense market competition and economic downturns or recessions
- Operational risk: failure of suppliers to provide timely and quality products
- Financial risk: non-collection of overdue balances
- Compliance risk: potential disputes with counterparties

## CORPORATE GOVERNANCE

The treatment plans for those identified risks are mostly internal controls which will be taken into consideration and incorporated into annual internal audit plan.

With the assistance of the internal audit function of the Company and through the Audit Committee, the Board reviews the adequacy and effectiveness of the Company's risk management policies and systems, and key internal controls at least on an annual basis, provides its perspective on management control and ensures that the necessary corrective actions are taken on a timely basis. There are formal procedures in place for both the internal and external auditors to report conclusions and recommendations to Management and to the Audit Committee independently.

The Board notes that no cost effective system of internal controls could provide absolute assurance against the occurrence of material errors, losses, fraud or other irregularities and based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by the Management and the Board, the Board with the concurrence of the Audit Committee are of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective. Additionally, the Board is satisfied that the above-mentioned internal controls and risk management systems are adequate and effective to address its key business risks at reporting date.

The Board has also received assurances from the Managing Director and Deputy Chief Financial Officer that:

- a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- b) the Company's risk management and internal control systems were adequate and effective as at 31 December 2024.

The Board understands that it may establish a separate board risk committee or otherwise assess appropriate means to assist it in carrying out its responsibility of overseeing the Company's risk management framework and policies. The Company currently does not have a separate board risk committee and will look into the need for establishment of a separate board risk committee at a relevant time.

### 3.3. Audit Committee

#### **Principle 10: The Board has an Audit Committee which discharges its duties objectively.**

As of the date of this report, the Audit Committee comprises Mr. Neo Gim Kiong (Chairman of the Audit Committee), Mr. Quek Pok Yeow, Stephen, and Mr. Ho Ta-Huang, the majority of whom, including the Chairman, are independent.

The Audit Committee members collectively possess many years of experience in accounting, business and financial management. The Board considers that the members of the Audit Committee are appropriately qualified to discharge the responsibilities of the Audit Committee.

It functions under a set of written terms of reference which sets out its responsibilities below. The Audit Committee also has explicit authority to investigate any matter within its terms of reference:

- (a) review the assurance from the chief executive officer and chief financial officer, or key management personnel assuming analogous positions or responsibilities;
- (b) review the independence and objectivity of the external auditors annually;
- (c) review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- (d) review the half year and full year financial results before submission to the Board for approval;
- (e) review at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems;

## CORPORATE GOVERNANCE

- (f) review the adequacy, effectiveness, independence, scope and results of the external audit and the Group's internal audit function;
- (g) meet at least annually with the Company's internal and external auditors to review their audit plan and discuss the results of their respective examinations and their evaluation of the Group's system of internal accounting controls without the presence of the Company's Management;
- (h) consider and recommend to the Board on the appointment, re-appointment and removal of the external and internal auditors, and approving the remuneration and terms of engagement of the external and internal auditors;
- (i) review arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;
- (j) review the external and internal auditors' reports;
- (k) review the co-operation given by the Group's officers to the external auditors;
- (l) review and approve interested persons transactions, if any, falling within the scope of Chapter 9 of the Catalist Rules;
- (m) review potential conflicts of interest, if any, and ensuring procedures for resolving such conflicts are strictly adhered to;
- (n) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee;
- (o) review and establish procedures for receipt, retention and treatment of complaints received by the Group regarding, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group; and
- (p) generally undertake such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments made thereto from time to time.

Apart from the above functions, the Audit Committee will also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results or financial position. The Audit Committee is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Group. Each member of the Audit Committee will abstain from any deliberations and/or voting in respect of matters in which he is interested.

The Audit Committee has full access to the Management and also full discretion to invite any Director or key Management to attend its meetings, and has been given reasonable resources to enable it to discharge its function properly.

The Audit Committee has met with the external auditors, without the presence of Management, at least once in FY2024. The Audit Committee has recommended to the Board the nomination of PKF-CAP LLP for their re-appointment as external auditors of the Company at the forthcoming AGM. The Group's Singapore-incorporated subsidiaries are audited by PKF-CAP LLP. The Company confirms that it complies with Rules 712 and 715 of the Catalist Rules in relation to the proposed re-appointment of PKF-CAP LLP as the external auditors of the Company. The Audit Committee, having reviewed the scope and value of non-audit services provided to the Group by the external auditors, is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. Non-audit fee of \$1,466 or 1.7% of total audit fees was paid to the external auditors during FY2024. The aggregate amount of audit fees payable to the external auditors for the financial year ended 31 December 2024 is \$84,185. None of the Audit Committee members were former partners or directors of or have financial interest in PKF-CAP LLP.

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In evaluating the quality of the work carried out by the external auditors, PKF-CAP LLP, the Audit Committee's assessment of the performance of PKF-CAP LLP was based on the Audit Quality Indicators Disclosure Framework ("**AQI Framework**") recommended by the Accounting and Corporate Regulatory Authority ("**ACRA**"), which was revised in January 2020 to ensure that the indicators can better meet the needs of the Audit Committee. The AQI Framework comprises 8 comparable quality markers that correlate closely with audit quality based on ACRA's observations from inspecting auditors over the past decade. These include relevant experience of the senior audit team members, average training hours incurred and results from internal and external inspections of auditors.

The Group has established a whistle-blowing policy which sets out the procedures for the Group's employees to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers. The Audit Committee is tasked with investigating whistleblowing reports made in good faith and in confidence, and will address the issues and/or concerns raised, and ensure that necessary arrangements are in place for the independent investigation of issues and/or concerns raised by employees and for appropriate follow-up actions. The identity of the whistleblower is kept confidential to ensure protection of the whistleblower against detrimental or unfair treatment. Details of the whistle-blowing policies and arrangements have been made available to the Group's employees. The Audit Committee is responsible for oversight and monitoring of whistleblowing on an ongoing basis. There were no whistleblowing reports received during FY2024 till the date of this report.

The Audit Committee takes measures to keep abreast of the changes to accounting standards and issues which have direct impact on financial statements, with training conducted by professional or external consultants.

### 3.4. Internal Audit

The Board recognises the importance of maintaining an internal audit function to maintain a sound system of internal control within the Group to safeguard shareholders' investments and the Company's assets. The Audit Committee has the responsibility to review annually the adequacy and effectiveness of the internal audit function, review the internal audit program and ensure co-ordination between the internal auditor, external auditor and Management, and ensure that the internal auditor carries out its function according to the standards set by nationally or internationally recognised professional bodies, in particular, the Standards for Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The Audit Committee will also approve the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.

The Audit Committee has appointed Yang Lee & Associates as its out-sourced internal auditor to provide internal audit function for the Group for FY2024. The objective of the internal audit function is to provide an independent review on the adequacy and effectiveness of the Group's internal controls and provide reasonable assurance to the Audit Committee on the Group's controls and governance processes. The internal auditor has unfettered access to all the Company's documents, records, properties and personnel, including access to the Audit Committee. The primary reporting line of the internal audit function is to the Audit Committee. An annual internal audit plan which entails the review of the effectiveness of the Group's controls has been developed by the internal auditor. The Audit Committee is satisfied that the internal audit function is independent, effective and adequately resourced to address the financial, operational and compliance risks, information technology risk and has the appropriate standing within the Group. The Audit Committee meets with the internal auditors, without the presence of management, at least annually.

## 4. SHAREHOLDERS RIGHTS AND ENGAGEMENT

### 4.1. Shareholders 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.**

In line with the continuous disclosure obligations of the Company pursuant to the Catalist Rules and the Companies Act, it is the Board's policy to ensure that all shareholders are informed regularly and on a timely basis of every significant development that has an impact on the Group.



## CORPORATE GOVERNANCE

Pertinent information about the Company's business development and financial performance is communicated to shareholders on a regular and timely basis via SGXNet announcements and news releases. The Group also maintains a website at <http://www.acesian.com>, at which shareholders can access information on the Group. The website provides, *inter alia*, corporate announcements, press releases and profiles of the Group.

In presenting the annual financial statements and announcements of financial results to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. The financial results for the half year and full year are released to shareholders within 45 and 60 days of the half year end and full year end, respectively.

The Company ensures that true and fair information is delivered adequately to all shareholders, and that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders.

All shareholders of the Company will receive annual reports and are informed of shareholders' meetings through notices published on the SGXNet and reports or circulars sent to all shareholders. Save for nominee companies, any shareholder who is unable to attend is allowed to appoint up to two proxies to vote on his behalf at the meeting through proxy forms sent in advance. Nominee shareholders are allowed to appoint more than two proxies to allow for shareholders who hold shares through such nominee companies to attend and participate in the meetings of the Company as proxies.

At the AGM, the shareholders of the Company will be given the opportunity to voice their views and direct to the Directors or the Management questions relating to the resolutions during the AGM. At the Company's general meetings, each distinct issue is proposed as a separate resolution, and all resolutions are put to vote by poll in compliance with Rule 730A(2) of the Catalyst Rules, the proceedings of which is explained by the appointed scrutineer at the general meetings of shareholders.

The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved. Having undertaken a cost-benefit analysis, the Company has decided not to undertake electronic polling at this juncture. However, the Company will consider e-polling services in due course.

The Chairman of the Board and the respective Chairman of each of the Board Committees, Management and the external auditors are intended to be in attendance at the forthcoming AGM. All the Directors (except Mr. Neo Gim Kiong) had attended the AGM held on 25 April 2024.

After the AGM, the Company will make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentage, and will prepare minutes of the AGM. Such minutes will be published on its corporate website and on the SGXNet.

The Company does not have a fixed policy on payment of dividends. Instead, the issue of the payment of dividends is deliberated seriously and at length by the Board annually having regard to various factors. Where dividends are not paid, the Company discloses the reasons. No dividend has been declared or recommended for the twelve months ended 31 December 2024 as the Company has accumulated losses as at 31 December 2024.

### 4.2 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 Board establishes and maintains regular dialogue with its shareholders, to gather views or inputs and to address shareholders' concerns. The AGM of the Company is the principal forum for dialogue and interaction with all shareholders. Shareholders are invited at such meetings to put forth any questions they may have on the motions to be debated and decided upon.

## CORPORATE GOVERNANCE

The Company did not engage a dedicated investor relations team but has in place an investor relations policy to provide for a mechanism through which shareholders may communicate effectively with the Company. The Company also has personnel dedicated to handle investor queries and deal with all matters related to investor relations. Shareholders may contact the Company with their questions via emails and phone calls, and the Company will respond to such questions in a timely manner.

### 5. MANAGING STAKEHOLDER 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 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 Company has regularly engaged its stakeholders and used a variety of channels to assess and identify stakeholders as groups that have an impact on, or have potential to be impacted by, the Company's business.

The primary focus is on the business operations in Singapore and Malaysia and on issues that impact business growth and are of utmost importance to the stakeholders of the Company.

The Company has performed a materiality analysis to identify challenges and issues that are important to stakeholders and are relevant to the businesses. The identified stakeholders are customers, employees, investors, shareholders and regulators.

The Company has undertaken efforts to determine the key principles of environment, social and governance (ESG) factors and incorporate them into the businesses. Having considered sustainability issues as part of its strategic formulation, the Company has determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

The details on the Company's approach to stakeholder engagement and materiality assessment are disclosed in the Sustainability Report of this Annual Report for FY2024.

The Company has maintained a corporate website to communicate and engage with stakeholders. Apart from communicating through email or phone calls, stakeholders may also submit enquiry forms via the Company's website to ask questions and receive responses in a timely manner.

### ADDITIONAL INFORMATION

### 6. DEALING IN SECURITIES

In line with Rule 1204 (19) of the Catalist Rules on Dealing in Securities, the Company issues circulars to its Directors and employees, to remind them that (i) they should not deal in shares of the Company on short-term considerations or if they are in possession of unpublished material price-sensitive information; and (ii) they are required to report on their dealings in shares of the Company. The Directors and employees are also reminded of the prohibition in dealing in shares of the Company one month before the release of the half year and full year financial results and ending on the date of the announcement of the relevant results. The Company has complied with the said Rule during FY2024.

Directors and officers are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period.

## CORPORATE GOVERNANCE

### 7. MATERIAL CONTRACTS

Save as disclosed above, there was no material contract entered into by the Company or any of its subsidiary companies involving the interest of the Managing Director, any Director, or controlling shareholder, which are either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.

### 8. INTERESTED PERSON TRANSACTIONS ("IPTs")

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Audit Committee and that transactions are conducted on an arm's length basis that are not prejudicial to the interests of the shareholders. When a potential conflict of interest occurs, the Director concerned will be excluded from discussions and refrain from exercising any influence over other members of the Board.

There were no significant IPTs conducted under the general mandate of or over S\$100,000 in value during the period ended 31 December 2024. There are no other IPTs conducted during FY2024, which exceeds S\$100,000 in value.

The Group has obtained a General Mandate for Interested Person Transactions on 25 April 2024.

### 9. RISK MANAGEMENT

The Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the Directors and the Audit Committee.

### 10. NON-SPONSORS FEES

The Company has appointed Asian Corporate Advisors Pte. Ltd. ("**ACA**") as the Company's Continuing Sponsor with effect from 30 May 2019.

The Directors and Management of the Company would consult ACA on all material matters relating to compliance with the Catalist Rules, listing and quotation of its securities and documents to be released to shareholders, to ensure that such documents are in compliance with the Catalist Rules and proper disclosures are made.

There is no non-sponsor fee paid by the Company to ACA during FY2024.