

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 2019 (“**FY2019**”). 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.

Corporate Governance

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
No. of meetings held in FY2019	4	4	2	1
Directors	Number of meetings attended in FY2019			
Neo Gim Kiong	4	4 ⁽¹⁾	2 ⁽¹⁾	1 ⁽¹⁾
Loh Yih	4	4	2	1
Wong Kok Chye	4	4 ⁽¹⁾	2 ⁽¹⁾	1 ⁽¹⁾
Qiu Jun	3	3 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾
Ong Chin Lin	4	4	2	1
Ho Ta-Huang	3	3	2	1

(1) Attendance by invitation.

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.

Corporate Governance

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 six (6) Directors as follows:

Neo Gim Kiong	Non-Executive Chairman and Lead Independent Non-Executive Director
Loh Yih	Executive Director and Managing Director
Wong Kok Chye	Executive Director and Group Chief Operating Officer
Qiu Jun	Executive Director and Business Development Director (China)
Ong Chin Lin	Independent Non-Executive Director
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 who are Independent Non-Executive Directors, constitute one-third of the Board. These Independent Directors, together with a Non-Executive and Non-Independent Director, make up half of 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. The Constitution of the Company provides that the Chairman has a second and casting vote in the case of an equality of votes. Given that the Chairman has a casting vote and is independent, and the Independent Directors make up one-third of the Board, and 50% of the Board are Non-Executive Directors, there is a strong and independent element on the Board.

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 judgement, 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 two (2) 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.

The Board notes that Mr. Ong Chin Lin ("**Mr. Ong**") has been an Independent Director of the Company for an aggregate period of more than 9 years. The Board regularly reviews the independence of Mr. Ong, and is of the opinion that he is suitable to continue as an Independent Director of the Company. Mr. Ong has no relationship with the Company, its related companies, its substantial shareholders or its officers. Neither Mr. Ong nor any of his immediate family members has been employed by the Company or its related companies, has accepted any significant compensation by the Company or its related companies, has been a substantial shareholder, partner, director or executive officer of an organisation which has provided or received significant payments or material services from the Company, is a substantial shareholder of the Company, or has been directly associated with a substantial shareholder of the Company. In addition, the Board also reviews the performance of each Independent Director and opines that Mr. Ong, having gained a good understanding of the Group's business and operations, will be able to continue to bring valuable expertise, experience and knowledge to the Board. To ensure continued management and governance, the Board believes that Mr. Ong can provide the necessary and required stability to work with both new and old Directors to collectively drive the Group forward.

Corporate Governance

The Board also agrees that the independence of the Independent Directors must be based on the substance of their professionalism, integrity and objectivity, and not merely based on the number of years which they have served on the Board. The Company conducts a detailed and rigorous review to ascertain and satisfy itself of the independence of Mr. Ong.

Save for Mr. Ong, the other Independent Director, Mr. Neo Gim Kiong, has not served on the Board beyond an aggregate of more than 9 years (whether before or after listing).

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. As such, the objectives of its board diversity policy 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, length of service, and other diverse qualities of the Board members. When reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of its members, the Nominating Committee will consider 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.

Directors will be updated regularly on accounting and regulatory changes, or on relevant new laws, regulations and changing commercial risks. Directors are encouraged to attend workshops, seminars and training at the Company's expense, to enhance their skills and knowledge.

Corporate Governance

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 the corporate development activities, the expansion of the Group's businesses and day-to-day operations of the Group. The Group Chief Operating Officer ("COO") is Mr. Wong Kok Chye whose role is to focus on the operation and expansion of the Group's manufacturing and distribution businesses. The Company currently does not have a Chief Executive Officer.

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, Managing Director and COO ensures an appropriate balance of power, increased accountability and sufficient capacity of the Board for independent decision making. The Non-Executive Chairman, the Managing Director and the COO are different persons and 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. Led by the Lead Independent Director, the Independent Directors will also meet periodically without the presence of the other Directors, 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.

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. The Nominating Committee comprises Mr. Neo Gim Kiong (Chairman of the Nominating Committee), Mr. Ong Chin Lin, and Mr. Ho Ta-Huang, the majority of whom, including the Chairman, are independent.

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;

Corporate Governance

- (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 Board's performance 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.

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, 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 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 short-listed candidates to assess their suitability, if necessary, before making a recommendation to the Board.

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 FY2019.

Corporate Governance

All Directors are subject to the provisions of Article 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 annual general meeting ("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.

The Nominating Committee has recommended to the Board that – Mr. Loh Yih and Mr. Ho Ta-Huang be nominated for re-election at the forthcoming AGM of the Company. Mr. Loh Yih will, upon re-election as a Director, remain as Managing Director and Executive Director of the Company. Mr. Ho Ta-Huang will, upon re-election as a Director, remain as the Non-Independent Director and Non-Executive Director of the Company. The current directorships and other principal commitments of Mr. Loh Yih and Mr. Ho Ta-Huang 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 companies, are set out on page 4 of this Annual Report and below:

Name of Director	Date of initial Appointment	Date of last re-election	Directorships in other listed companies		Other Principal Commitments
			Current	Past 3 Years	
Loh Yih	30 September 2013	26 April 2018	<ul style="list-style-type: none"> Ban Leong Technologies Limited International Press Softcom Limited 	<ul style="list-style-type: none"> Weichai Power Co. Ltd Trek 2000 International Limited 	Nil
Neo Gim Kiong	2 August 2018	26 April 2019	<ul style="list-style-type: none"> Sen Yue Holdings Limited Ban Leong Technologies Limited International Press Softcom Limited 	<ul style="list-style-type: none"> Trek 2000 International Limited Astaka Holdings Limited 	Chief Executive Officer of Sen Yue Holdings Ltd
Wong Kok Chye	7 January 2013	26 April 2019	Nil	Nil	Nil
Qiu Jun	8 August 2018	26 April 2019	Nil	Nil	Nil
Ong Chin Lin	30 November 2004	26 April 2019	Nil	Old Chang Kee Ltd.	Nil
Ho Ta-Huang	7 December 2001	26 April 2018	Nil	Nil	Chairman of Chern Dar Enterprise Co., Ltd

There are no alternate directors appointed in the Company.

Corporate Governance

Additional information for the Directors who are retiring and being eligible, offer themselves for re-election at the forthcoming AGM pursuant to Rule 720(5) of the Catalyst Rule:

Details	Directors	
	Loh Yih	Ho Ta-Huang
Date of initial appointment	30 September 2013	7 December 2001
Date of last re-election	26 April 2018	26 April 2018
Age	56	69
Country of principal residence	Singapore	Taiwan
The Board's comments on this appointment (including rationale, selection criteria, 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. Ho's performance and contribution as Non-Independent Non-Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive Responsible for the overall management and performance of the Group	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Managing Director	Non-Independent Non-Executive Director
Professional qualifications	Nil	Nil
Working experience and occupation(s) during the past 10 years	2013 to 2018 Executive Chairman and Executive Director of Acesian Partners Limited 2018 to present Executive Director and Managing Director of Acesian Partners Limited	2001 to Present Non-Independent Non-Executive Director of Acesian Partners Limited
Shareholding interest in the listed issuer and its subsidiaries	124,257,558 ordinary shares (24.93%) (direct and deemed interest) in the share capital of the Company	45,583,000 ordinary shares (9.14%) (direct and deemed interest) in the share capital of the Company
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	Yes Mr. Ho is also a director of Chern Dar Enterprise Co., Ltd, a supplier

Corporate Governance

Details	Directors	
	Loh Yih	Ho Ta-Huang
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments including Directorships		
Past (for the last 5 years)	Weichai Power Co. Ltd Trek 2000 International Limited	N.A.
Present	Ban Leong Technologies Limited International Press Softcom Limited Shangdong Heavy Industry Group MGF Management Pte Ltd Cavangh Group Pte Ltd MGF Capital Limited Memontum Pte Ltd Pillocomm Pte Ltd	Chern Dar Enterprise Company Limited
Information required pursuant to Catalyst Rule 704(6)		
(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?	No	No

Corporate Governance

Details	Directors	
	Loh Yih	Ho Ta-Huang
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(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

Corporate Governance

Details	Directors	
	Loh Yih	Ho Ta-Huang
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(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 Mr. Loh Yih was an Independent Non-Executive Director and a member of the Audit Committee of Trek 2000 International Limited from May 2017 to May 2018. He assisted in the investigations of suspicious transactions and management irregularities in Trek 2000 International Limited. Subsequently, he resigned on 8 May 2018.	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

Corporate Governance

Details	Directors	
	Loh Yih	Ho Ta-Huang
(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, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(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	No
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange?	N.A.	N.A.
If yes, please provide details of prior experience	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.

Corporate Governance

1.5. Board Performance

Principle 5: The Board undertakes a formal 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.

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.

The Remuneration Committee comprises Mr. Ong Chin Lin (Chairman of the Remuneration Committee), Mr. Neo Gim Kiong and Mr. Ho Ta-Huang, the majority of whom, including the Chairman, are independent. The Remuneration Committee will meet 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;

Corporate Governance

- (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 Offer/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.

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 FY2019.

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.

Corporate Governance

The Company's Executive Directors, namely Mr. Loh Yih, Mr. Qiu Jun and Mr. Wong Kok Chye are remunerated based on their service agreements with the Company. The service agreements have a fixed term of three (3) years with a notice period of three (3) months. 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 contracts with the Company.

The Group has also entered into letters of employment with all executive officers. Such letters typically provide for the salaries payable to the executive officers, their working hours, medical benefits, grounds of termination and certain restrictive covenants.

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. The Company's Share Plan (defined below) is administered by the Remuneration Committee with such discretion, powers and duties as are conferred on it by the Board. A member of the Remuneration Committee shall not be involved in the deliberations of the Remuneration Committee in respect of the grant of awards to him. The Company has not granted any shares under its Share Plan (defined below).

The recommendations of the Remuneration Committee will be submitted to the Board for endorsement. The Remuneration Committee will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company.

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 breakdown of remuneration of the Directors of the Company for FY2019 are as follows:

Directors/ Managing Director	Remuneration (S\$)	Fees (S\$)	Fees %	Salaries %	Bonus %	Other Benefits %	Total %
S\$250,000 to S\$500,000							
Loh Yih	In between 250,000 to 500,000	–	–	80	–	20	100
Below S\$250,000							
Wong Kok Chye	Below 250,000	–	–	81	–	19	100
Qiu Jun	Below 250,000	–	–	89	–	11	100
Neo Gim Kiong	–	30,000	100	–	–	–	100
Ong Chin Lin	–	20,000	100	–	–	–	100
Ho Ta-Huang	–	30,000	100	–	–	–	100

Corporate Governance

In view of the competitive pressures in the talent market, the remuneration paid to the Managing Director, Chief Operating Officer and Executive Director are disclosed in bands.

The breakdown of remuneration of the key management personnel of the Group for FY2019 are as follows:

Key Executive Officers	Salaries %	Bonus %	Other Benefits %	Total %
Below S\$250,000				
Lee Wee Beng	86	–	14	100
Choo Wai Leong	83	7	10	100

The total remuneration paid to the top two key management personnel (who are not Directors or Managing Director) for FY2019 are disclosed in bands. Save for the two key executive officers 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 approaching the Company's staff.

The Company confirms that no employee of the Group is a substantial shareholder of the Company, or an immediate family member of any Director or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during FY2019.

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

Linair (now known as Acesian) Performance Bonus Share Plan

The Linair (now known as Acesian) Performance Bonus Share Plan ("**Share Plan**") was approved by the shareholders of the Company on 27 November 2008, and has been renewed by the shareholders at the last annual general meeting held on 26 April 2019. The Share Plan is administered by the Remuneration Committee of the Board (currently comprising Mr Ong Chin Lin, Mr Neo Gim Kiong and Mr Ho Ta-Huang), with such discretion, powers and duties as are conferred on it by the Board of Directors. The Share Plan was introduced to promote higher performance goals and recognize commendable exceptional achievement, and to encourage a sense of belonging in its employees. The Share Plan is designed to reward its participants by the issue and/or transfer of fully-paid shares in the Company according to the extent to which they achieve their performance targets over set performance periods.

The following persons shall be eligible to participate in the Plan at the absolute discretion of the Committee:

- a. all employees of the Group of supervisor level and above; and
- b. all employees of the Associated Companies of the Group of supervisor level and above.

who, in the opinion of the Committee, have contributed to the success and the development of the Group, provided that for any Participants who are Non-Executive Directors, written justification shall first be provided to Shareholders for their participation at the introduction of the Plan or prior to the first grant Awards to them.

Persons who are Controlling Shareholders or the Associates shall not participate in the Plan unless:

- a. written justification has been provided to Shareholders for their participation at the introduction of the Plan or prior to the first grant of Awards to them;
- b. the actual number and terms of any Shares to be granted to them have been specifically approved by Shareholders of the Company who are not beneficiaries of the Grant in a general meeting in separate resolutions for each such Controlling Shareholder or his Associates; and
- c. all conditions for the participation in the Plan as may be required by the regulation of the SGX-ST from time to time are satisfied.

Corporate Governance

The Committee shall have absolute discretion to decide whether a person who is participating in this Plan shall be eligible to participate in any other share option scheme implemented by the Company or any other company within the Group.

Limitation on the size of the Share Plan

The aggregate number of new Shares over which the Committee may grant Awards on any date, when added to the number of new Shares issued and issuable in respect of all Shares granted under this Plan any other existing share schemes implemented or to be implemented by the Company shall not exceed 15% of the issued share capital of the company on the day preceding that that date (the Plan Limit”).

The number of existing Shares (excluding Treasury Shares) which may be purchased from the market for delivery pursuant to Release of Awards granted under the Plan will be subject to a limit of 10% of the fully paid shares in issue. The number of existing Shares which may be repurchased and held by the Company as Treasury Shares for purposes of delivery pursuant to the Release of Awards granted under the Plan, will be subject to such limits as may be prescribed under the mandate obtained by the Company from the Shareholders (including any renewal of such mandate) for such repurchase.

As of the date of this report, the Company has not granted any shares under its Share Plan. As such, the requirements under Catalist Rule 851(1) (b) to (d) are not applicable.

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.

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 Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (“**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.

Corporate Governance

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.

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 Group Chief Operating Officer 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 2019.

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.

The Audit Committee comprises Mr. Neo Gim Kiong (Chairman of Audit Committee), Mr. Ong Chin Lin, 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, legal, 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.

Corporate Governance

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 judgements 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;
- (f) review the adequacy, effectiveness, independence, scope and results of the external audit and the Group's internal audit function;
- (g) meet periodically 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.

Corporate Governance

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 FY2019. 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. No non-audit fee was paid to the external auditors during FY2019. The aggregate amount of audit fees payable to the external auditors for the financial year ended 31 December 2019 is \$96,477. None of the Audit Committee members were former partners or directors of or have financial interest in PKF-CAP LLP.

In evaluating the quality of the work carried out by the external auditors, PKF-CAP LLP, the AC'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 recently 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 that seeks to provide a channel for the Group's employees to raise concerns in good faith and in confidence about possible improprieties in matters of financial reporting or other matters such as possible corruption, suspected fraud and other non-compliance issues. The Audit Committee 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 the employees and for appropriate follow-up actions. Details of the whistle-blowing policies and arrangements have been made available to the Group's employees. There were no significant matters raised through whistle blowing during FY2019 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.

On 10 January 2019, the Audit Committee appointed Yang Lee & Associates as the external internal auditor and to provide the internal audit function for the financial year ending 31 December 2019. 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 AC 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.

Corporate Governance

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, Chapter 50 of Singapore, 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.

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 in the newspapers 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 regarding the Company. At the Company's general meetings, each distinct issue is proposed as a separate resolution, and all resolutions will be voted on by poll.

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.

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 to address any queries of the shareholders. All the Directors (except Mr. Ho Ta-Huang) had attended the AGM held on 26 April 2019. The external auditors are also present to address shareholders' queries about the conduct of the audit and the preparation and content of the auditor's report. There was one general meeting held in FY2019.

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.

In compliance with Rule 730A(2) of the Catalist Rules, resolutions tabled at general meetings of shareholders are put to vote by Poll, using polling slips, the proceedings of which will be explained by the appointed scrutineer at the general meetings of shareholders. 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.

Corporate Governance

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. The Company did not pay any dividends in respect of FY2019 in view of the challenging operating environment.

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.

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 FY2018 Sustainability Report published on the SGXNet on 30 May 2019. Our FY2019 Sustainability Report will be published on or before 31 May 2020.

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.

Corporate Governance

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 FY2019.

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

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 FY2019 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 interested person transactions conducted under general mandate of or over \$100,000 in value during the financial year ended 31 December 2019. The Group has obtained a General Mandate for Interested Person Transactions on 26 April 2019.

There were no other interested person transactions entered into during the financial year ended 31 December 2019.

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 and RHT Capital Pte. Ltd. (resigned on 30 May 2019) during FY2019.