

# REPORT ON CORPORATE GOVERNANCE

The board of directors (the “**Board**” or “**Directors**”) of IEV Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is committed to maintaining a high standard of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Board confirms that, for the financial year ended 31 December 2019 (“**FY2019**”), the Company has generally adhered to the principles and provisions set out in the Code of Corporate Governance 2018, which was issued by the Monetary Authority of Singapore on 6 August 2018 (the “**2018 Code**”). Where there are deviations from the provisions of the 2018 Code, appropriate explanations are provided in this Report. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

## BOARD MATTERS

### THE BOARD’S CONDUCT OF AFFAIRS

***Principle 1 – The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.***

The Board is entrusted with the responsibility for the overall management of the Group with the primary function of protecting the interests of shareholders and to enhance long-term shareholders’ value. Besides carrying out its statutory duties and responsibilities, the Board reviews and advises on overall strategic plans and key operational initiatives, reviews the performance of the management of the Company (the “**Management**”) and assumes responsibility for overall corporate governance of the Group to ensure that the Group’s strategies are in the best interests of the Group and its shareholders.

The principal functions of the Board are:

- (a) provide entrepreneurial leadership, and set strategic objectives, which should include appropriate focus on value creation, innovation and sustainability;
- (b) ensure that the necessary resources are in place for the company to meet its strategic objectives;
- (c) establish and maintain a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and company performance;
- (d) constructively challenge Management and review its performance;
- (e) instill an ethical corporate culture and ensure that the company’s values, standards, policies and practices are consistent with the culture; and
- (f) ensure transparency and accountability to key stakeholder groups.

All Directors exercise due diligence and independent judgment, and are obliged to act in good faith and in the best interest of the Company to enhance the long-term value of the Group to its shareholders. The Board adopted a set of ethical values and standards which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties.

### Conflicts of Interests

To address and manage possible conflicts of interest that may arise between Directors’ interest and those of the Group, the Company has put in place appropriate procedures which apply in addition to the Directors’ obligation to comply with disclosure obligations under the Company’s Constitution and Companies Act (Chapter 50) of Singapore (“**Companies Act**”). Each Director is required to promptly disclose any conflicts or potential conflicts of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. The disclosure is made either during a Directors’ meeting or by way of a written notification to the Company Secretary containing details of the interest and the nature of conflict. Where a potential conflict of interest arises, the Director concerned will recuse himself/herself from participating in any discussions, abstains from voting on the matter and refrains from exercising any influence over other members of the Board.

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## Orientation, Briefings, Updates and Training for Directors

Newly appointed Directors would receive a formal letter from the Company, setting out the Director's duties, responsibilities and obligations as a Director of the Company including pertinent obligations under the Companies Act, the Securities and Future Act, Catalist Rules and 2018 Code. Directors are also given an orientation (including site visits to the Group's principal place of operations) on the Group's business, operations, governance practices and regulatory requirements to facilitate the effective discharge of his duties. In accordance with Rule 406(3)(a) of the Catalist Rules, the Nominating Committee ("**NC**") will ensure that any new director appointed to the Board who has no prior experience as a director of an issuer listed on the SGX-ST, must undergo mandatory training in his/her roles and responsibilities as prescribed by the SGX-ST.

Dato' Low Koon Poh was appointed as Executive Director on 1 June 2019, Ms Ng Yau Kuen Carmen was appointed as Independent Non-Executive Director on 10 July 2019 and Tan Sri Ahmad Bin Mohd Don was appointed as Independent Non-Executive Director on 16 January 2020. They had received the letter of appointment setting out Directors' duties and obligations. Dato' Low Koon Poh and Ms Ng Yau Kuen Carmen will attend the Listed Entity Directors Programme conducted by the Singapore Institute of Directors that will be held in May 2020 and June 2020 while Tan Sri Ahmad Bin Mohd Don will attend the relevant courses within 1 year from his date of appointment.

All Directors are encouraged to attend conferences and seminars as well as other training courses relevant to their roles as Directors of the Company. Such conferences and seminars as well as other training courses are arranged and funded by the Company for all Directors. During FY2019, one of the Directors had attended a seminar on Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) jointly organised by the Accounting and Corporate Regulatory Authority ("**ACRA**"), the Chartered Secretaries Institute of Singapore and the Institute of Singapore Chartered Accountants.

During FY2019, site visits to the Group's office in Malaysia was held for the Directors, during which they received updates and information in relation to the Group's businesses, industry developments, business initiatives and accounting standards. Updates on relevant legal, regulatory and technical developments may be in writing or disseminated by way of briefings, presentations and/or handouts on a timely basis. Where necessary, the Company arranges for presentations by external professionals, consultants and advisers on topics that would have an impact on the relevant regulations, accounting standards and the implications on responsibilities of the Directors.

The Audit Committee ("**AC**") and the Board had during the quarterly meetings held in FY2019 received briefings and updates on (i) developments in accounting and governance standards, in particular, the changes of the Singapore Financial Reporting Standards (International) by the external auditors, Deloitte & Touche LLP ("**Deloitte**"); and (ii) strategic and business development of the Group and any changes to commercial risks from the Chief Executive Officer and Executive Director. The AC and Directors can also request for further explanations, briefings or information on any aspects of the Company's operations and business issues from the Management.

## Matters reserved for Board Approval

The Company has in place a limitation and authorisation policy. The policy contains materiality threshold(s) and a schedule of matters specifically reserved for the Board's approval. Below the Board's level, there are appropriate delegations of authority involving the Group's Key Management Personnel ("**KMPs**") set out on page 11 of this annual report.

The following matters, amongst others, have been reserved for the Board's decision:

- (a) setting the Group's long-term objectives and commercial strategy including ventures into new businesses and geographical markets;
- (b) approving and monitoring material corporate transactions including major investments, divestments, mergers and acquisitions;
- (c) approving and monitoring interested person transactions;

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- (d) approving authority matrix, standard operating procedures, policies and procedures;
- (e) approving annual forecasts, budgets and cash flow projections;
- (f) reviewing and approving the financial results and statements of the Group, including, inter alia, any material impairments, write-offs and restatements;
- (g) appointment of internal and external auditors as well as the Company Secretary;
- (h) financial results of the Group, internal audit and external audit matters reports;
- (i) reviewing the business practices and risk management of the Group;
- (j) reviewing and approving changes in capital structure;
- (k) recommendation or declaration of dividends;
- (l) reviewing and approving remuneration packages for Executive Directors and KMPs and reviewing of their performance; and
- (m) any matter required to be considered or approved by the Board as a matter of law or regulation.

## Board Committees

To facilitate effective management and to support the Board in carrying out its duties, certain functions of the Board have been delegated to the AC, NC and the Remuneration Committee (“**RC**”) (collectively referred to as the “**Board Committees**”). The Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis to ensure continued relevance. The terms of reference also set out the conduct of meetings including quorum and voting requirements. Any changes to the terms of reference for any Board Committee require the Board’s approval. The appointment of Board Committee members requires the approval of the Board to ensure that the Board Committees comprise Directors with the appropriate qualifications and skills, to maximise the effectiveness of the Board.

The effectiveness of each Board Committee is also regularly reviewed by the Board. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board. The composition of the Board Committees and terms of reference of the respective Board Committees are set out under the respective Principles of this Report.

## Board meetings and attendance

The Board has scheduled to meet at least four (4) times a year and to coincide such meetings with the review and approval of the Group’s results announcements. Dates of Board, Board Committee meetings and annual general meetings are scheduled in advance in consultation with all the Directors. The Board also meets as and when necessary to address any specific significant matters that may arise. To ensure Board and Board Committee meetings are held regularly with maximum Directors’ participation, the Company’s Constitution allows for telephone and video-conferencing meetings. The Board and Board Committees also approve transactions by way of written resolutions, which are circulated to the Board and Committee members together with all relevant information regarding the proposed resolutions/ transactions.

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The number of meetings of the Board, the respective Board Committees and general meetings held and the attendance of each Director at the Board, Board Committees and general meetings held in FY2019 are as follows:

Name	Board	Audit committee	Nominating committee	Remuneration committee	AGM	EGM
<b>Number of meetings held</b>	5	4	1	1	1	1
<b>Directors</b>	<b>Number of meetings attended</b>					
Tan Sri Dato' Hari N. Govindasamy	4	3	1	1	1	1
Christopher Nghia Do	5	4 <sup>(1)</sup>	1 <sup>(1)</sup>	1 <sup>(1)</sup>	1	1
Dato' Low Koon Poh <sup>(2)</sup>	1	1 <sup>(1)</sup>	NA	NA	NA	1
Joanne Bruce	5	4 <sup>(1)</sup>	1 <sup>(1)</sup>	1 <sup>(1)</sup>	1	1
Ng Weng Sui, Harry	5	4	1	1	1	1
Kesavan Nair	5	4	1	1	1	1
Ng Yau Kuen Carmen <sup>(3)</sup>	2	2 <sup>(1)</sup>	NA	NA	NA	1
Tan Sri Ahmad Bin Mohd Don <sup>(4)</sup>	NA	NA	NA	NA	NA	NA

## Notes:

<sup>(1)</sup> Attended as an invitee.

<sup>(2)</sup> Dato' Low Koon Poh was appointed as Executive Director of the Company on 1 June 2019.

<sup>(3)</sup> Ng Yau Kuen Carmen was appointed as Independent Non-Executive Director of the Company on 10 July 2019.

<sup>(4)</sup> Tan Sri Ahmad Bin Mohd Don was appointed as Independent Non-Executive Director of the Company on 16 January 2020.

NA: Not Applicable

All Directors are required to declare their board appointments. When a director has multiple board representations, the NC will consider whether the director is able to adequately carry out his/her duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that notwithstanding multiple board appointments, the Directors have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Director of the Company. Please refer to Principle 4 below for further disclosure in relation to multiple board representations.

In addition, the Director is also given access to the Board resources, including the Company's constitutional and governing documents, terms of references of the Board and the Board Committees, the Group's policy, Annual Reports, Board meeting papers and other pertinent information for his/her reference. Management ensures that all Directors are furnished on an on-going basis with relevant, complete, adequate and timely information concerning the Company, to enable them to make informed decisions and discharge their duties and responsibilities. Prior to each Board meeting, board papers and files are circulated for each meeting and the Board is provided with relevant background or explanatory information relating to the business of the meeting and information on major operational, financial and corporate issues. This is to give the Directors sufficient time to review and consider the matters being tabled and/or discussed. Any other matters may also be tabled at the Board meeting and discussed without papers being distributed. The business/projects updates with information on financial, operating and corporate issues, the explanations on the financial information, and the rationale for the key decisions taken by the Management may also be made in the form of presentations by the Management in attendance at the meetings. The Directors are entitled to request additional information as needed to make informed decisions. The Management is invited to attend Board meetings to provide additional insights into matters being discussed, and to respond to any queries that the Directors may have.

The Board is provided with the contact details of the Management and the Company Secretary; and has separate and have independent access to such persons. The Board, either individually or as a group, is entitled to seek appropriate independent and professional advice, as and when necessary, at the expense of the Company, in furtherance of their duties.

The Company Secretary and/or her representative are/is present at such meetings to record the proceedings, to ensure that all Board procedures are followed as well as to ensure that good information flows within the Board and its Board Committees and between the Management and the Non-Executive Directors. The appointment and removal of the Company Secretary is a matter for consideration by the Board as a whole.

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Together with the Management of the Company, the Company Secretary ensures that the Company complies with the requirements of the Catalist Rules, the Companies Act as well as other rules and regulations that are applicable to the Company and the Group.

## BOARD COMPOSITION AND GUIDANCE

***Principle 2 – The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.***

As at the date of this Report, the Board comprises the following members:

- Tan Sri Dato' Hari N. Govindasamy ("**Tan Sri Dato' Hari**") (Non-Independent, Non-Executive Chairman)
- Christopher Nghia Do ("**Christopher Do**") (President and CEO)
- Dato' Low Koon Poh ("**Dato' Low**") (Executive Director)
- Ng Weng Sui Harry ("**Harry Ng**") (Lead Independent Director)
- Kesavan Nair (Independent Director)
- Joanne Rose Bruce ("**Joanne Bruce**") (Independent Director)
- Ng Yau Kuen Carmen ("**Carmen Ng**") (Independent Director)
- Tan Sri Ahmad Bin Mohd Don ("**Tan Sri Ahmad**") (Independent Director)

The Board comprises two (2) Executive Directors and six (6) Non-Executive Directors, of which five (5) are independent. There is therefore a good balance between the Executive and Non-Executive Directors as well as a strong and independent element on the Board with independent directors making up a majority of the Board.

Accordingly, Provision 2.2 of the 2018 Code which requires independent directors to make up a majority of the Board where then Chairman is not independent as well as Provision 2.3 of the 2018 Code which requires that non-executive directors make up a majority of the Board have been complied with.

## Board Independence and Independent Directors

As set out under the 2018 Code, an independent director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company. The independence of each Director is reviewed annually by the NC bearing in mind salient factors set out in the Catalist Rules, the 2018 Code as well as other relevant circumstances and facts. The NC is also committed to reassess the independence of each Independent Director as and when warranted.

All Independent Directors are required to confirm their independence by completing a Confirmation of Independence Form which is drawn up in accordance with the 2018 Code and the Catalist Rules, and submitted to the NC for its assessment of the independence of each Director.

Based on the confirmation of independence submitted by the Independent Directors, the NC was of the view that each Independent Director is independent on the following basis:

- (a) The Independent Directors: (i) are not employed by the Company or any of its related corporations in the current or any of the past three (3) financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three (3) financial years, and whose remuneration is determined by the RC.
- (b) None of the Independent Directors has served on the Board beyond nine (9) years from the date of first appointment.

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- (c) None of the Independent Directors and their immediate family member had in the current or immediate past financial year (i) provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S\$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organization which provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S\$200,000 for services rendered.
- (d) None of the Independent Directors are directly associated with a substantial shareholder of the company.

Ms Carmen Ng had declared that a company which she is a controlling shareholder and director of, Cypress Advisory & Consulting Limited, has since 2015 provided corporate secretarial, accounting and advisory services to the inactive Hong Kong companies of Dato' Low (Executive Director and substantial shareholder of the Company) and Dato Sri Michael Marcus Liew (substantial shareholder of the Company). The aggregate annual amount charged for the services did not exceed S\$100,000 over any financial year and she confirmed that such business relationships would not interfere with her ability to exercise independent business judgement in the best interests of the Company. Except disclosed herein, she has confirmed that she does not have any other relationships (including familial relationship) with any existing Director, existing executive officer, the Company, its related corporations and/or substantial shareholders of the Company or any of its principal subsidiaries.

Based on the declarations of independence received from each of the Independent Directors, the NC has reviewed and was of the view that there are no relationships or circumstances that would affect the independence of the Independent Directors.

Each member of the NC and of the Board recused themselves from deliberations in respect of the assessment of his/her independence.

## **Board Size and Composition**

The NC and the Board review the size and composition of the Board and Board Committees annually, taking into account, inter alia, the scope and nature of the group's business and operations and the benefits of all aspects of diversity, including but not limited to gender, age, and professional experience in order to provide the board access to an appropriate range and balance of skills, experience and backgrounds. The Board is satisfied that the current Board facilitates effective decision-making and that no individual or small group of individuals dominates the Board's decision-making process. The NC and the Board are of the view that the present Board has the necessary mix of gender, nationality, expertise, experience and competencies such as accounting or finance, business or management experience and industry knowledge for the effective functioning of the Board and is appropriate for the current scope and nature of the operations of the Group. The Independent Directors and Non-Executive Director contribute accounting and finance knowledge, legal expertise and business management experience to the Group; and provide the Executive Directors and the Management with diverse and objective perspectives on issues considered by the Board.

The biographies of the Directors are set out under "Directors' Profile" section in this Annual Report.

## **Non-Executive Directors**

The Board and the Management are given opportunities to engage in open and constructive debate for the furtherance of achieving strategic objectives. The Non-Executive Directors may challenge and help develop proposals on strategy, review the performance of and to extend guidance to the Management. Well equipped with their expertise, experience and knowledge, the Non-Executive Directors have been actively participating in discussions and decision-making at the Board and the Board Committee levels, and had open discussions with the Management. Where necessary, the Non-Executive Directors, led by the Lead Independent Director, meet and discuss the Group's affairs without the presence of the Management and the Executive Directors.



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## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

***Principle 3 – There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.***

Tan Sri Dato' Hari is the Non-Independent Non-Executive Chairman of the Company (“**Chairman**”) and Mr Christopher Do is the Chief Executive Officer of the Company (“**CEO**”). The Chairman and CEO are not related. The separation of the roles of the Chairman and the CEO ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The Chairman is responsible for (i) leading the Board to ensure its effectiveness in all aspects of its role; (ii) establishing the agenda for the board meetings in consultation with the CEO and ensuring adequate time is available for discussion of all agenda items, in particular strategic issues; (iii) ensuring that the Board receives complete, adequate and timely information; (iv) encouraging constructive relations among the Directors and their interactions with the Management; and (v) facilitating the effective contribution of the Non-Executive Directors. He takes a lead role in promoting high standards of corporate governance, with the full support of the Directors, the Company Secretary and the Management.

At annual general meetings of the Company, the Chairman plays a pivotal role in fostering constructive dialogue between the shareholders, the Board and the Management.

The CEO is responsible for the Group's day-to-day operations and leads the Management in setting strategies, objectives and missions, as well as executing the Board's decisions and plans and driving the Group's growth and development.

## Lead Independent Director

As the Chairman of the Board is non-independent, Mr Harry Ng has been appointed as the Lead Independent Director of the Company. As the Lead Independent Director, he serves in a lead capacity to coordinate the activities of the Independent Directors when necessary and appropriate. His responsibilities include carrying out the functions of the Chairman in relation to any matter where it would be inappropriate for the Chairman to serve in such capacity. The Lead independent Director is available to address shareholders where they have concerns for which contact through normal channels such as the Chairman, the CEO or the Chief Financial Officer is inappropriate or inadequate.

The Independent Directors of the Company discuss issues via meetings, telephone and electronic devices without the presence of the other Directors, where required. The Lead Independent Director will provide feedback to the Chairman or CEO if it is deemed necessary.

## BOARD MEMBERSHIP

***Principle 4 – The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.***

The Board has established a NC which comprises four (4) members who are Non-Executive Directors, and a majority of whom, including the NC Chairman, are independent. As at the date of this Report, the members of the NC are as follows:

Kesavan Nair (Chairman)	Independent Director
Harry Ng (Member)	Lead Independent Director
Tan Sri Dato' Hari (Member)	Non-Independent Non-Executive Chairman
Tan Sri Ahmad (Member)	Independent Director

The NC meets at least once a year. The principal functions of the NC in accordance with its terms of reference include, but are not limited to, the following:

- (a) identifying, reviewing and recommending candidates to the Board for appointments to the Board (including alternate director, if applicable) and Board Committees (excluding the appointment of existing members of the Board to a Board committee) of the Company and entities within the Company and its subsidiaries;

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- (b) reviewing and recommending re-nomination of the Directors for re-election in accordance with the Constitution at each annual general meeting and having regard to the Director's contribution and performance (including alternate directors, if applicable);
- (c) establishing a process for the selection, appointment and re-appointment of Directors;
- (d) determining on an annual basis whether or not a Director is independent;
- (e) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director;
- (f) reviewing and approving any new employment of related persons and proposed terms of their employment;
- (g) reviewing and recommending the training and professional development programmes for the Board;
- (h) recommending to the Board the review of board succession plans for Directors, in particular, the Chairman and the CEO; and
- (i) recommending the appointment of key management positions, reviewing succession plans for key positions within the Group and overseeing the development of key executives and talented executives within the Group.

## Process for Nomination and Selection of New Directors

The NC reviews the need for appointment of additional director(s) from time to time and the composition of the Board, including the mix of expertise, skills and attributes of existing directors, so as to identify needed and/or desired competencies to supplement the Board's existing attributes. The process for the search, selection and appointment of new Directors is as follows:

- (a) candidates are sourced through external search consultants or network of contacts and identified based on the needs of the relevant skills, experience, knowledge and expertise. Directors may also put forward names of potential candidates, together with their curriculum vitae, for consideration of the NC.
- (b) the NC, after completing its assessment, meets with the short-listed candidates to assess their suitability taking into consideration the existing composition of the Board and strives to ensure that the Board has an appropriate balance of independent directors as well as qualification and experience of each candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives and to ensure that the candidates are aware of the expectations and the level of commitment required of them.
- (c) the NC makes recommendations to the Board for approval.

## Re-Appointment/Re-election of Retiring Directors

The NC recommends re-elections of Directors for approval by the Board, taking into account the directors' overall contributions and performance and an appropriate mix of core competencies for the Board to fulfill its roles and responsibilities. Article 98 of the Constitution stated that at each annual general meeting of the Company ("AGM"), at least one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third and excluding newly appointment directors) are required to retire from office by rotation. All Directors are required to retire from office at least once in every three years and submit themselves for re-election by the shareholders at the AGM.

The Directors retire by rotation at the forthcoming AGM pursuant to Article 98 of the Constitution of the Company are Mr Kesavan Nair and Mr Harry Ng.

Article 102 of the Constitution of the Company requires any newly appointed Director during the year to hold office only until the next AGM following his/her appointment and to be eligible for re-election but shall not be taken into account in determining the number of Directors who are retiring by rotation at each financial year. Hence, Tan Sri Ahmad, Ms Carmen Ng and Dato' Low will retire at the forthcoming AGM pursuant to Article 102 of the Constitution of the Company.

Each of these retiring Directors has given their consent to stand for re-election.



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The NC had recommended to the Board the re-election of all the retiring Directors. The NC had considered criteria such as the diversity, composition, progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour). The Board has endorsed the re-election as recommended by the NC.

## Additional Information of Retiring Directors seeking for Re-election

Pursuant to Rule 720(5) of the Catalist Rules, the additional information as set out in Appendix 7F of the Catalist Rules relating to the retiring Directors who are submitting themselves for re-election, is disclosed below and to be read in conjunction with their respective biographies under the section entitled "Directors' Profile" in the Annual Report 2019:

	<b>Ng Weng Sui, Harry</b>	<b>Kesavan Nair</b>	<b>Low Koon Poh</b>	<b>Ng Yau Kuen Carmen</b>	<b>Ahmad Bin Mohd Don</b>
Date of Appointment	: 26 July 2011	29 September 2011	1 June 2019	10 July 2019	16 January 2020
Date of last re-appointment	: 30 April 2018	28 April 2017	Not Applicable	Not Applicable	Not Applicable
Age	: 64	56	47	44	72
Country of Principal Residence	: Singapore	Singapore	Malaysia	Hong Kong	Malaysia
The Board's comments on the re-appointment	: The re-election of Ng Weng Sui Harry as Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his independence, overall contribution and performance.	The re-election of Kesavan Nair as Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his independence, overall contribution and performance.	The re-election of Low Koon Poh as Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his overall contribution and performance.	The re-election of Ng Yau Kuen Carmen as Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration her independence, overall contribution and performance.	The re-election of Ahmad Bin Mohd Don as Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his independence, overall contribution and performance.
Whether appointment is executive, and if so, the area of responsibility	: Non-Executive	Non-Executive	Executive. Dato' Low oversees the Group's healthcare business	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	: <ul style="list-style-type: none"> <li>• Lead Independent Director</li> <li>• Chairman of Audit and Risk Committees</li> <li>• Member of Remuneration and Nominating Committees</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Chairman of Remuneration and Nominating Committees</li> <li>• Member of Audit and Risk Committees</li> </ul>	Executive Director	<ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Member of Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Member of Audit and Nominating Committees</li> </ul>
Professional Qualifications	: Please refer to "Directors' Profile" section on pages 7 to 10 of this annual report.				

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	Ng Weng Sui, Harry	Kesavan Nair	Low Koon Poh	Ng Yau Kuen Carmen	Ahmad Bin Mohd Don
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	Dato' Low holds 50,000,000 ordinary shares representing 10.25% of the issued and share capital of the Company. Accordingly, he is a substantial shareholder of the Company.	Ms Carmen Ng is a controlling shareholder and Director of Cypress Advisory & Consulting Limited (" <b>Cypress Advisory</b> ") which has, since 2015 provided corporate secretarial, accounting and advisory services to inactive Hong Kong companies of Dato' Low Koon (Executive Director and substantial shareholder of the Company) and Dato' Sri Michael Marcus Liew (substantial shareholder of the Company). The aggregate annual amount charged for the services is less than S\$100,000. The Directors and the NC, having considered the amounts paid to Cypress Advisory are not significant, are of the view that the business relationships does not affect her disposition to act independently. Having considered Carmen Ng's contributions to the Board and the outcome of the recent assessment of individual Directors' performance, the NC has recommended and the Board has approved Carmen Ng's re-election as Director of the Company.	No

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	Ng Weng Sui, Harry	Kesavan Nair	Low Koon Poh	Ng Yau Kuen Carmen	Ahmad Bin Mohd Don
Conflict of interests (including any competing business)	: No	No	No	No	No
Working experience and occupation(s) during the past 10 years	: Please refer to "Directors' Profile" section on pages 7 to 10 of this annual report.				
Undertaking has been submitted to the listed issuer in the form of Appendix 7H under Rule 720(1) of the Catalyst Rules	: Yes	Yes	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	: 300,000 ordinary shares representing 0.06% of the issued and paid up share capital of the Company.	Nil	50,000,000 ordinary shares representing 10.25% of the issued and paid up share capital of the Company.	Nil	Nil
Past (for the last 5 years)	: <u>Directorships</u> HealthPro Pte. Ltd. (subsidiary of the Company)  <u>Other Principal Commitment</u> Nil	<u>Directorships</u> • Genesis Law Corporation • Genvest Pte Ltd  <u>Other Principal Commitment</u> Nil	<u>Directorships</u> • Advance Business Process Sdn Bhd • Boutique Equity Sdn Bhd • Malaysian Business Pages Sdn. Bhd. • NextGlass Technologies Corporation • Mon Space Net, Inc. • ACO Management Services Sdn Bhd • KLM Corporate Services (M) Sdn Bhd • Round Table Holdings Limited • Marketify Consulting Sdn. Bhd. • Marketify Sdn. Bhd. • Gllocorp Technologies Pte Ltd	<u>Directorships</u> • Chinese Legends Wealth Management Limited  <u>Other Principal Commitment</u> Nil	<u>Directorships</u> • Hap Seng Plantations Holdings Berhad • Zurich Life Insurance Malaysia Berhad • Zurich Takaful Malaysia Berhad • KAF Investment Bank Berhad • KomarkCorp Berhad • MAA Group Berhad • MAA Cards Sdn Bhd • Syarikat Penanaman Bukit Senorang Sdn Bhd • South-East Pahang Oil Palm Berhad • YR Associates Sdn Bhd • Global Biomarine Pty Ltd

# REPORT ON CORPORATE GOVERNANCE

	Ng Weng Sui, Harry	Kesavan Nair	Low Koon Poh	Ng Yau Kuen Carmen	Ahmad Bin Mohd Don
			<ul style="list-style-type: none"> <li>Glocorp Technologies Sdn Bhd</li> <li>VG Plus Pte Ltd</li> </ul> <p><u>Other Principal Commitment</u> Nil</p>		<p><u>Other Principal Commitment</u> Nil</p>
Present	<p>: <u>Directorships</u></p> <ul style="list-style-type: none"> <li>Artivision Technologies Ltd</li> <li>Q&amp;M Dental Group (Singapore) Limited</li> <li>Oxley Holdings Limited</li> <li>HG Metal Manufacturing Limited</li> <li>HLM (International) Corporate Services Pte. Ltd.</li> </ul> <p>Subsidiaries of Company</p> <ul style="list-style-type: none"> <li>IEV Energy Investment Pte. Limited</li> <li>IEV Technologies Pte. Ltd.</li> </ul> <p><u>Other Principal Commitment</u></p> <ul style="list-style-type: none"> <li>Singapore Dental Council</li> <li>NCC Research Fund</li> <li>NCCS Cancer Fund</li> </ul>	<p><u>Directorships</u></p> <ul style="list-style-type: none"> <li>Kitchen Culture Holdings Ltd.</li> <li>Arion Entertainment Singapore Limited</li> <li>HG Metal Manufacturing Limited</li> <li>Artivision Technologies Limited</li> <li>Bayfront Law LLC</li> </ul> <p><u>Other Principal Commitment</u> Nil</p>	<p><u>Directorships</u></p> <ul style="list-style-type: none"> <li>Healthpro Pte. Ltd. (subsidiary of the Company)</li> <li>Atlantis Systems Sdn Bhd</li> <li>Growe Food Ingredients Sdn. Bhd.</li> <li>B LOF (M) Sdn Bhd</li> <li>Catalano Seafood Sdn Bhd</li> <li>IPEC Bureau Sdn. Bhd.</li> <li>Round Table Partners Limited</li> <li>KLM HR Sdn Bhd</li> <li>Glocorp Inc.</li> <li>IPO Partners Limited</li> <li>Gogoland Sdn. Bhd.</li> <li>Greater Asia Agro Sdn. Bhd.</li> <li>Greater Asia Project Sdn. Bhd.</li> <li>Greater Asia Seafood Sdn. Bhd. (f.k.a. Manjong Bio Ocean Venture Sdn Bhd)</li> <li>Greater Asia Hatchery Sdn. Bhd.</li> <li>Greater Asia Harvest Sdn. Bhd.</li> </ul>	<p><u>Directorships</u></p> <ul style="list-style-type: none"> <li>Koala Financial Group Limited</li> <li>Simplicity Holding Limited</li> <li>Get Nice Financial Group Limited</li> <li>Prince Foster Professional Services Limited</li> <li>Corwell Global Limited</li> <li>Easy Global Ventures Limited</li> <li>Global Alliance Commerce Group Limited</li> <li>LinkedIn Technology Holding Limited</li> <li>Global Outstanding Entrepreneurs Alliance Limited</li> <li>Lumine Capital Limited</li> <li>Global Alliance Marketing Limited</li> <li>LinkedIn Global Pay Limited</li> <li>Cypress Advisory &amp; Consulting Limited</li> </ul> <p><u>Other Principal Commitment:</u> Cypress Certified Public Accountants</p>	<p><u>Directorships</u></p> <ul style="list-style-type: none"> <li>Alliance Bank Malaysia Berhad</li> <li>United Malacca Berhad</li> <li>Sunway REIT Management Sdn Bhd (manager of Sunway Real Estate Investment Trust listed on Bursa Malaysia)</li> <li>IT Bizflow Sdn Bhd</li> <li>International Natural Resources Pte Ltd</li> <li>PT Lifere Agro Kapuas</li> <li>PT Bintang Gemilang Permai</li> <li>PT Wana Rindang Lestari</li> </ul> <p><u>Other Principal Commitment:</u> Nil</p>

# REPORT ON CORPORATE GOVERNANCE

	Ng Weng Sui, Harry	Kesavan Nair	Low Koon Poh	Ng Yau Kuen Carmen	Ahmad Bin Mohd Don
			<ul style="list-style-type: none"> <li>• Aquasky Global Sdn Bhd</li> <li>• Rakuen Land Sdn Bhd</li> <li>• Asia Biomarine Pte Ltd</li> <li>• Global Biomarine Limited</li> <li>• Global Biomarine Sdn Bhd</li> <li>• Auspac Cornerstone Asset Management Limited (f.k.a. Janz Asset Management)</li> <li>• Pdp Couriers (Malaysia) Sdn. Bhd.</li> <li>• KL Management Services</li> <li>• MSNI (HK) Limited</li> <li>• Subsidiaries of Global Carriers Berhad</li> </ul> <p><u>Other Principal Commitment:</u> Nil</p>		
(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	No	No	No

# REPORT ON CORPORATE GOVERNANCE

	Ng Weng Sui, Harry	Kesavan Nair	Low Koon Poh	Ng Yau Kuen Carmen	Ahmad Bin Mohd Don
(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	Dato' Low was appointed as director to the subsidiary companies of Global Carriers Berhad ("Global Carriers") in March 2014. He was brought on board by the founders of Global Carriers with the intention of restructuring the company. However, shortly after his appointment, Global Carriers was served a winding-up petition on 18 April 2014 and a liquidation process commenced. Dato' Low was not involved in the liquidation process nor the operations of Global Carriers and Global Carriers was eventually delisted on 19 December 2014.	No	No
(c) Whether there is any unsatisfied judgment against him?	: No	No	No	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	No	No	No



# REPORT ON CORPORATE GOVERNANCE

	Ng Weng Sui, Harry	Kesavan Nair	Low Koon Poh	Ng Yau Kuen Carmen	Ahmad Bin Mohd Don
(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	No	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	No	No	No

# REPORT ON CORPORATE GOVERNANCE

	Ng Weng Sui, Harry	Kesavan Nair	Low Koon Poh	Ng Yau Kuen Carmen	Ahmad Bin Mohd Don
(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	No	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	No	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	No	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	: No	No	No	No	No

# REPORT ON CORPORATE GOVERNANCE

	Ng Weng Sui, Harry	Kesavan Nair	Low Koon Poh	Ng Yau Kuen Carmen	Ahmad Bin Mohd Don
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	No	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	No	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	No	No	No

# REPORT ON CORPORATE GOVERNANCE

	Ng Weng Sui, Harry	Kesavan Nair	Low Koon Poh	Ng Yau Kuen Carmen	Ahmad Bin Mohd Don
(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	No	No	No

## Independence of the Directors

As mentioned under Principle 2 above, the NC also reviews the independence of the Directors annually and have affirmed that Tan Sri Ahmad, Carmen Ng, Harry Ng, Kesavan Nair and Joanne Bruce are independent and are able to exercise judgement on the corporate affairs of the Group independent of the Management.

## Alternate Director

The Board does not, as a matter of practice, appoint alternate director.

## Review of Director's Time Commitment

The NC reviews and determines annually whether Directors, who have multiple board representations and other principal commitments, give sufficient time and attention to the affairs of the Company and adequately carry out his duties as a Director of the Company. The NC has considered and is of the view that it would not be appropriate to set a limit on the number of directorships that a Director may hold because Directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of board committees on which they serve are of different complexities. Each Director shall determine the demands of his competing directorships and obligations and assess the number of directorships he could hold and serve effectively.

All Directors are required to provide declarations of any changes in their other appointments and principal commitments, which are disseminated to all Board members. The NC, having taken into consideration (i) the attendance and contributions by the individual Directors during Board and Board Committee meetings; and (ii) results of the evaluation of the effectiveness of the Board and the Board Committees, is of the opinion that the Directors have devoted sufficient time and attention to the affairs of the Company and is satisfied that the Directors have adequately discharged their duties in FY2019.

The Board recognises the contributions of its Directors who over time have developed deep insight into the Group's operations and industry and who are therefore able to provide valuable contributions to the Group. As such, the Board has not set a fixed term of office for any of its Directors.

# REPORT ON CORPORATE GOVERNANCE

The listed company directorships and principal commitments of each Director are set out below:

Director	Position	Present directorship in other listed companies	Present principal commitments*
Tan Sri Dato' Hari	Non-Independent Non-Executive Chairman	Nil	Emrail Sdn. Bhd. and its Group of Companies
Christopher Do	President and CEO	Nil	<ul style="list-style-type: none"> <li>• IEV Holdings Limited</li> <li>• Chairman of Sunshine Scholarship Organisation</li> </ul>
Dato' Low	Executive Director	Nil	<ul style="list-style-type: none"> <li>• IEV Holdings Limited</li> <li>• HealthPro Pte. Ltd.</li> </ul>
Harry Ng	Lead Independent Director	<ul style="list-style-type: none"> <li>• Artivision Technologies Ltd.</li> <li>• Q&amp;M Dental Group (Singapore) Limited</li> <li>• Oxley Holdings Limited</li> <li>• HG Metal Manufacturing Limited</li> </ul>	<ul style="list-style-type: none"> <li>• HLM (International) Corporate Services Pte. Ltd.</li> <li>• Singapore Dental Council</li> <li>• NCC Research Fund</li> <li>• NCCS Cancer Fund</li> </ul>
Kesavan Nair	Independent Director	<ul style="list-style-type: none"> <li>• Kitchen Culture Holdings Ltd.</li> <li>• Arion Entertainment Singapore Limited</li> <li>• HG Metal Manufacturing Limited</li> <li>• Artivision Technologies Limited</li> </ul>	Bayfront Law LLC
Joanne Bruce	Independent Director	Nil	<ul style="list-style-type: none"> <li>• Biossentials Limited</li> <li>• Biossentials Sdn. Bhd.</li> <li>• PT Chantara Wellness Bali</li> </ul>
Carmen Ng	Independent Director	<ul style="list-style-type: none"> <li>• Koala Financial Group Limited</li> <li>• Simplicity Holding Limited</li> <li>• Get Nice Financial Group Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Cypress Advisory &amp; Consulting Limited</li> <li>• Cypress Certified Public Accountants</li> </ul>
Tan Sri Ahmad	Independent Director	<ul style="list-style-type: none"> <li>• Alliance Bank Malaysia Berhad</li> <li>• United Malacca Berhad</li> </ul>	Nil

\* "Principle Commitments" as defined in the Code include all commitments which involve significant time commitment such as full time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

# REPORT ON CORPORATE GOVERNANCE

## BOARD PERFORMANCE

***Principle 5 – The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.***

The NC will periodically review the Board's performance based on objective performance criteria proposed by the NC and approved by the Board. The performance criteria do not change from year to year and where circumstances deem it necessary to change the criteria, the onus is on the Board to justify this decision. The Board has implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution of each individual Director to the effective functioning of the Board. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

Annually, a Board evaluation exercise is carried out by way of a board assessment checklist, which is circulated to the Board members for completion. The assessment covers areas such as Board Composition, Information to the Board, Board Procedures, Board Accountability, CEO/Top Management, Standards of Conduct, Risk Management and Internal Controls, Communication with Shareholders, Board Committee performance in relation to discharging their responsibilities set out in their respective terms of reference, and Director self-evaluation. Assessment parameters for each Director include their knowledge and abilities, attendance records at the meetings of the Board and Board Committees, and the intensity and quality of participation at meetings. The performance criteria do not change from year to year. Directors can also provide input on issues which do not fall under these categories, for instance, addressing specific areas where improvements can be made. Feedback and comments received from the Directors are reviewed by the NC, in consultation with the Chairman of the Board, to determine the actions required to improve the corporate governance of the Company and effectiveness of the Board as a whole.

Through the assessment, the performance of the Board, Board Committees and each Director was considered and how the Board as a whole adds value to the Company. The process identified areas where improvements can be made, allowing the Board and individual Director to direct more effort in those areas for achieving better performance of the Board and better effectiveness of individual Directors. The Board will act on the results of the performance assessment and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of Directors may be sought.

The NC, having reviewed the overall performance of the Board and Board Committees in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year reported on, is of the view that the performance of the Board and Board Committees as a whole has been satisfactory. The NC, in assessing the contribution of an individual Director, has considered each Director's level of participation in discussions and attendance at Board and Board Committee meetings, his or her qualifications, experience, expertise and the time and effort dedicated to the Group's business and affairs. The NC is satisfied that sufficient time and attention has been given to the Group by the Directors. The NC is also satisfied that the current size and composition of the Board and Board Committees provides it with adequate ability to meet the existing scope of needs and the nature of operations of the Group. From time to time, the NC will review the appropriateness of the Board size, taking into consideration changes in the nature of the Group's businesses, the scope of operations, as well as changing regulatory requirements.

Each member of the NC abstains from voting on any resolutions and making any recommendation and or participating in discussion on matters in which he is interested.

The Board has not engaged any external consultant to conduct an assessment of the performance of the Board, the Board Committees and each individual Director. Where relevant, the NC will consider such an engagement.



# REPORT ON CORPORATE GOVERNANCE

## REMUNERATION MATTERS

### PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

***Principle 6 – The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

The Board has established a RC which comprises four (4) members who are Non-Executive Directors, and a majority of whom, including the RC Chairman are independent. The members of the RC as at the date of this Report are as follows:

- |                               |  |
|-------------------------------|--|
| • Kesavan Nair (Chairman)     | Independent Director                   |
| • Harry Ng (Member)           | Lead Independent Director              |
| • Tan Sri Dato' Hari (Member) | Non-Independent Non-Executive Chairman |
| • Carmen Ng (Member)          | Independent Director                   |

The RC meets at least once a year. The principal functions of the RC include, but are not limited to, the following:

- (a) review and approve the general remuneration framework of the Directors and KMPs of the Company and its subsidiaries;
- (b) structure a significant and appropriate proportion of Executive Directors and KMPs' remuneration so as to link rewards to corporate and individual performance to be aligned with the interests of shareholders and promote the long-term success of the Company;
- (c) review the on-going appropriateness, attractiveness and relevance of the executive remuneration policy and other benefit programs;
- (d) determine, review and approve the design of all option plans, stock plans and/or other equity based plans that the Group proposes to implement;
- (e) review the remuneration of employees who are related to the Directors, the CEO and the Company's substantial shareholders; and
- (f) review and recommend to the Board the eligibility of the Executive Directors and KMPs under long-term incentive schemes and to evaluate the costs and benefits of such long-term incentive schemes.

The Company's compensation framework comprises fixed, variable pay and other benefits-in-kind. The Company subscribes to linking remuneration of the Executive Directors and KMPs to corporate and individual performance. This is based on an annual appraisal of employees using the Company's internal Key Performance Indicator ("KPI") system. The RC and the Board will review the KPI and reward systems of the Group on an annual basis to ensure that the remuneration packages and systems are put in place to motivate and reward employees and align their interests to maximise long-term shareholders' value.

The RC will review and recommend to the Board a framework of remuneration for the Directors and KMPs, and determine specific remuneration packages for each Director and KMP. The recommendations of the RC are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share-based incentives and awards and other benefits-in-kind shall be overseen by the RC. The RC will also review the remuneration received by KMP. The President and CEO, Christopher Do, is entitled to monthly salary for a period of six (6) months following the date he ceases to be employee of the Company. Save for the aforesaid, there are no other termination, retirement and post-employment benefits granted to the Directors, the CEO or any KMPs. The RC, having considered Christopher Do's contributions to the Group since its establishment in 1986, are of the opinion that the said terms are fair. Currently, contractual provisions are not used that would allow the Company to reclaim incentive components of remuneration from the Executive Directors and KMPs. In exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company and the Group. The Company believes that there are alternative legal avenues to these specific contractual provisions that will enable the Company to recover financial losses arising from such exceptional events from the Executive Directors and KMPs. The RC would review such contractual provisions as and when necessary. The RC aims to be fair and avoid rewarding poor performance.

# REPORT ON CORPORATE GOVERNANCE

Each member of the RC shall abstain from voting on any resolutions or making any recommendations and/or participating in the deliberations of the RC in respect of the remuneration package granted to him or someone related to him.

The RC may from time to time, where necessary or required, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for the Directors and the Management, so that the Group remains competitive in this regard. No external remuneration consultant has been engaged for FY2019.

## 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 the remuneration packages of the Executive Directors, the Company takes into consideration the existing remuneration and employment conditions and makes a comparative study of the packages of Executive Directors in comparable companies/industries as well as the Group's sustained performance. The RC ensures that the level and structure of remuneration of the Executive Directors and KMPs are aligned with the long-term interest and risk policies of the Company, as well as the ability of such remuneration structures to attract, retain and motivate Executive Directors and KMPs to provide good stewardship and management of the Company. In addition, to ensure the alignment of the Executive Directors and the KMPs with the interests of Shareholders and to promote the long-term success of the Company, the Company has adopted the IEV Holdings Performance Share Plan ("**IEV Holdings PSP**" or the "**Plan**") which was approved by shareholders at an extraordinary general meeting held on 6 October 2011.

The Non-Executive Directors' remuneration takes into account the efforts and time spent, and responsibilities of the Directors. These Directors do not have service contracts and they are paid fixed base Directors' fee and an additional fixed fee for serving on any of the Board Committees. The Chairman of each Board Committee is compensated for his additional responsibilities. The RC recommends the payment of such fees in accordance with the contributions and responsibilities of the Non-Executive Directors, which will then be endorsed by the Board and subject to approval by the shareholders of the Company at the AGM. Such fees are payable quarterly in arrears. The Company recognises the need to pay competitive fees to attract, motivate and retain Directors without being excessive to the extent that their independence might be compromised.

The Company had renewed the service agreement with Mr Christopher Do, the President and CEO of the Company on 6 October 2017 for a further period of three years. The service agreement is renewable in accordance with the specific terms as set out in the service agreement.

Additionally, the Company had entered into service agreement with Dato' Low, Executive Director of the Company appointed on 1 June 2019, which is effective for a period of three years. The service agreement is renewable in accordance with the specific terms as set out in the service agreement. The RC had reviewed the service agreement with Dato' Low and recommended to the Board for endorsement.

Pursuant to their respective service agreements, Mr Christopher Do and Dato' Low are entitled to a fixed monthly salary. They are also entitled to an annual performance bonus in respect of each financial year, which is calculated based on the Group's consolidated net profit before tax and exceptional items before taking into account the annual performance bonus. Under the service agreements, the salary and annual performance bonus shall be subject to annual review by the RC to be approved by the Board.

Having reviewed and considered the variable components of the Executive Directors and the KMPs, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company 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.

In addition, the Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

# REPORT ON CORPORATE GOVERNANCE

## DISCLOSURE ON REMUNERATION

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

During FY2019, the RC had reviewed the compensation and remuneration packages of all Directors and KMPs and believes that the remuneration of Directors and KMPs commensurate with their respective performance roles and responsibilities, giving due consideration to the financial and commercial health and business needs of the Company. The RC has recommended to the Board and the Board has approved the remuneration of the Directors and the KMPs.

The Board has also approved the RC's recommendation for the Directors' fees of S\$201,600/- for FY2020. The fees are subject to the approval of shareholders at the AGM.

Details of the remuneration of Directors and KMPs for FY2019 are disclosed below:

### Directors' Remuneration

Name	Salary (%)	Benefits (%)	Bonus (%)	Directors' Fee (%)	Total (%)
<b>SGD250,000 to below SGD500,000</b>					
Christopher Do	91.4	8.6	–	–	100
<b>Below SGD250,000</b>					
Dato' Low	100	–	–	–	100
Tan Sri Dato' Hari	–	–	–	100	100
Harry Ng	–	–	–	100	100
Kesavan Nair	–	–	–	100	100
Joanne Bruce	–	–	–	100	100
Carmen Ng	–	–	–	100	100

While the 2018 Code recommends that companies fully disclose the amount and breakdown of remuneration for each individual director and the CEO on a named basis, the RC and the Board, after careful consideration, is of the view that such disclosure would not be in the best interests to the Group's business given the highly competitive environment it is operating in, and that the details disclosed in the table provides an appropriate balance between detailed disclosure and confidentiality in the sensitive area of remuneration. The RC has reviewed the practice of the industry in this regard, weighing the advantages and disadvantages of such disclosure.

# REPORT ON CORPORATE GOVERNANCE

## **KMP's Remuneration**

The Company adopts a remuneration policy for staff that is responsive to market elements and performance of the Company and business segments respectively.

Aside from the CEO, the Company had only four (4) KMPs in FY2019. A breakdown of the level and mix of the Group KMP's (who are not Directors or the CEO) remuneration for FY2019 are as follows:

Name	Salary (%)	Benefits (%)	Payment in Lieu of notice (%)	Bonus (%)	Total (%)
<b>Below SGD250,000</b>					
Edward Chen Boon Pok	88	12	–	–	100
Juzer Nomanbhoy	94	6	–	–	100
Ng Siew Han	89	11	–	–	100
Loh Koon Yau <sup>(1)</sup>	89	11	–	–	100

### **Note:**

<sup>(1)</sup> Ms Loh Koon Yau resigned as Deputy Vice President – Sales and Proposal Engineering of the Company with effect from 15 March 2020.

The annual aggregate remuneration paid to the top four (4) KMPs (who are not Directors or the CEO) of the Group for FY2019 is SGD331,198/-.

Save for Christopher Do whose remuneration is in the band of S\$300,000 to S\$400,000, there are no employees who are substantial shareholders of the Company or are immediate family members of a Director or the CEO or a substantial shareholder of the Company and whose remuneration exceeds S\$100,000 during the financial period under review.

The Company has in place the IEV Holdings PSP to reward, retain and motivate Directors and employees of the Group to greater dedication, loyalty and higher standards of performance. The RC is responsible for the administration of the Plan. No share award has been granted under the by the Company under the Plan during the financial year reported on and since the date of commencement of the Plan. The RC will, at the relevant time look into granting share awards. Further information on the Plan is set out in the “Directors’ Statement” section of this annual report and the Company’s offer document dated 12 October 2011. The RC and the Board will constantly evaluate and assess the implementation of long-term incentive schemes through the Plan, or any other appropriate incentive plans, with the aim of enhancing the link between rewards and corporate and individual performance.

## **ACCOUNTABILITY AND AUDIT**

### **RISK MANAGEMENT AND INTERNAL CONTROLS**

**Principle 9 – The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders**

The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against the occurrence of material errors or poor judgment in decision-making.

# REPORT ON CORPORATE GOVERNANCE

The Board, assisted by the Risk Committee, reviews annually and ensures that a sound system of risk management and internal controls is maintained by the Group to safeguard Shareholders' interests and the Group's assets and determines the nature and extent of the significant risks which the Group is willing to take in achieving its strategic objectives.

The Risk Committee comprises the following members:

- Harry Ng (Chairman)
- Kesavan Nair
- Tan Sri Dato' Hari
- Christopher Do
- Joanne Bruce
- Edward Chen Boon Pok

The Risk Committee assumes the responsibility of the risk management function and oversees the overall adequacy and effectiveness of the Group's risk management systems and procedures. The Management reviews the Group's business and operational activities regularly to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. The Management will also be responsible for ensuring that the risk management framework is effectively implemented within all areas of the respective business units. All significant matters will be highlighted to the Risk Committee and the Board.

On an annual basis, the Company engages internal auditors to formulate an internal audit plan and conduct an internal audit review of the Group's operations and will approved by the AC.

The AC has appointed Crowe Governance Sdn Bhd as internal auditors ("IA") of the Company to perform a review of the internal controls of the Group in accordance with the Standards for the Professional Practice of Internal Auditing laid down by the International Professional Practices Framework issued by the Institute of Internal Auditors, Inc. Crowe Governance Sdn Bhd is a well-established firm with vast experience in areas, including internal audit. The engagement team assigned comprises of 3 members and the partner-in-charge, Mr Amos Law, has 23 of years of experience performing internal audits for listed companies in Singapore. The AC has assessed and is satisfied that the IA function of the Group is independent and the internal auditors have adequately resources to perform its function effectively and is staffed by qualified and experienced professionals with the relevant experience. Accordingly, the Company is in compliance with Rule 1204(10C) of the Catalist Rules.

The AC will review annually, the adequacy and effectiveness of the IA function. For FY2019, the internal audit review focused on procurement and payment, human resource and payroll as well as information technology controls. High risk items noted from the internal audit review have been resolved as at the date of this Report.

Subsequent to the review, the IA will report its findings to the AC and will propose recommendations to enhance the Group's internal controls and to resolve any instances of inadequate internal control processes. The Management is responsible for the implementation of the various recommendations and will report the progress of implementation to the AC.

The external auditors will also highlight to the AC any major control weaknesses on financial reporting identified in the course of the statutory audit, if any.

As part of the Group's continuous efforts to ensure that its risk management systems and internal controls are adequate and effective, the Company is not only working towards strengthening the existing policies by conducting regular reviews to ensure that they remain relevant but is also implementing new ones where necessary to meet challenges brought on by a changing business environment.

The AC and the Board had received assurance from CEO and the Chief Financial Officer that, to the best of their knowledge, (i) the Group's financial records as at 31 December 2019 have been properly maintained and the financial statements for FY2019 give a true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are adequate and effective. In providing such assurance, the CEO and the Chief Financial Officer had evaluated the effectiveness of the Company's internal controls and had discussed with the Company's external and internal auditors of their reporting points and noted that there are no significant deficiencies in the design or operation of internal controls or material weaknesses identified which are outstanding and which could adversely affect the Company.

# REPORT ON CORPORATE GOVERNANCE

Based on the assurances from the CEO and the CFO, framework of risk management and internal controls established and maintained by the Group, work performed by the external and internal auditors, as well as regular reviews performed by the Management and various Board Committees, the Board, with the concurrence of the AC, is of the view that the Group's internal controls addressing financial, operational, compliance and information technology controls and risk management systems are adequate and effective as at 31 December 2019.

An overview of the key risks, the extent of the Group's exposure and the approach to managing these risks are set out on page 96 to 102 of the Annual Report.

## AUDIT COMMITTEE

### *Principle 10 – The Board has an Audit Committee (“AC”) which discharges its duties objectively.*

As at date of this Report, the AC comprises four (4) members, who are Non-Executive Directors, and a majority of whom, including the AC Chairman are independent. The members of the AC are as follows:

- |                               |  |
|-------------------------------|--|
| • Harry Ng (Chairman)         | Lead Independent Director              |
| • Kesavan Nair (Member)       | Independent Director                   |
| • Tan Sri Dato' Hari (Member) | Non-Independent Non-Executive Chairman |
| • Tan Sri Ahmad (Member)      | Independent Director                   |

No former partner or director of the Company's current auditing firm or auditing corporation is a member of the AC. The Board considers Mr Harry Ng who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC. The Board is of the view that the members of the AC have sufficient accounting and/or financial management expertise and experience to discharge the AC's functions given their experience as directors and/or senior management in accounting and financial fields.

The AC meets periodically to perform the following functions:

- review with the external auditors, the audit plans, their evaluation of the system of internal controls, their audit report, their management letter and the Management's response;
- review the internal controls and procedures and ensure coordination between the external auditors, internal auditors and the Management, and review the assistance given by the Management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management where necessary);
- review the annual and quarterly financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments arising from the audit, going concern basis of the Company, compliance with accounting standards as well as compliance with the Catalist Rules and other relevant statutory/regulatory requirements;
- review the assurance from the CEO and the CFO on the financial records and financial statements;
- review and discuss with the external auditors and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;
- consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors, and approving the remuneration and terms of engagement of the external auditors;
- review transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules;
- review potential conflict of interest and to set out a framework to resolve or mitigate any potential conflict of interests;



# REPORT ON CORPORATE GOVERNANCE

- (i) review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);
- (j) review the key financial risk areas, with a view to provide independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNET;
- (k) 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 AC;
- (l) review arrangements by which the staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;
- (m) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time.
- (n) review the adequacy, independence and effectiveness of the internal audit function at least annually; and
- (o) review with the internal Auditors the internal audit plans and their evaluation of the adequacy of the internal control and accounting system before submission of the results of such review to the Board for approval prior to the incorporation of such results in annual report (where necessary).

In line with the terms of reference of the AC, the following activities were carried out by the AC during FY2019 in the discharge of its functions and duties including the deliberation and review of:

- the unaudited quarterly and full year financial results of the Group, and announcements prior to submission to the Board for approval and release of the results via SGXNET;
- the internal (including the enterprise risk management framework) and external audit plans in terms of their scope prior to their commencement;
- the external auditors' report in relation to audit and accounting issues arising from the audit and meeting with the external auditors without presence of the executive board members and the Management;
- cooperation given by the Management to the external and internal auditors;
- the internal audit findings report including internal control processes and procedures;
- the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls and reporting the findings to the Board;
- the adequacy, independence and effectiveness of the Group's internal audit function;
- the audited financial statements of the Group and of the Company prior to submission to the Board for consideration and approval;
- the external audit and internal audit fees for FY2019 and recommended to the Board for approval;
- the quality of the external auditors across a number of evaluation criteria, including measures of relevance and quality of its work as well as its level of independence; and re-appointment of the external auditors and recommended to the Board for approval;
- interested person transactions falling within scope of Chapters 9 of the Catalist Rules and any potential conflict of interests; and
- the whistle-blowing policy of the Group and procedures by which employees of the Group and any other persons could report the possible improprieties to the AC Chairman.

# REPORT ON CORPORATE GOVERNANCE

Apart from the duties listed above, the AC shall 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 Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. Each member of the AC will abstain from voting in respect of matters in which he is interested.

The AC has full access to, and co-operation from, the Management and full discretion to invite any Director and/or executive officer to attend its meetings, and has reasonable resources to enable it to discharge its functions properly.

## **Independent meeting with external and internal auditors**

The AC also meets with the internal and external auditors without the presence of the Management at least once a year to obtain feedback on the competency and adequacy of the finance function, to review the assistance given by the Management to internal and external auditors and to ascertain if there are any material weaknesses or control deficiencies in the Group's financial and operational systems. The external auditors were also invited to be present at AC meetings held during FY2019 to, inter alia, answer or clarify any matter on cooperation from management, accounting and auditing of internal control.

## **AC's commentary on key audit matters**

The AC has discussed with the Management and the external auditors on significant issues as well as the reasonableness of the key assumptions including significant judgements and key estimates used that impact the financial statements. In line with the recommendations by ACRA, the Monetary Authority of Singapore and SGX-ST, the AC can help to improve transparency and enhance the quality of corporate reporting by providing a commentary on Key Audit Matters ("**KAM**"). The AC having reviewed the KAM presented by the external auditors in their financial report, have concurred and agreed with the external auditors and Management on their assessment, judgements and estimates on the significant matters reported.

## **External Auditors and Audit Fees**

The aggregate amount of audit fees paid and/or payable to the external auditors for FY2019 amounted to approximately SGD164,000. In addition, approximately SGD18,000 non-audit fees were paid to the external auditors for FY2019 in relation to tax and other statutory services rendered. The AC has undertaken a review of the volume and nature of the non-audit services provided by the external auditors to the Group and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The Company's existing auditors, Deloitte & Touche LLP, has been auditors of the Group since the financial year ended 31 December 2015. The Directors are of the opinion that it is in the interest of the Company to rotate its auditors in order to benefit from fresh perspectives of another professional audit firm and thus further enhance the value of the audit, with effect from the current financial year ending 31 December 2020. A renewal of this nature is indicative of the Company's efforts to ensure that there would be no actual or perceived issues of independence of auditors for good corporate governance. The AC has recommended, and the Board has approved the nomination to appoint Mazars LLP as the Company's external auditor for the financial year ending 31 December 2020 subject to the approval of shareholders. More details on the proposed change of auditors are set out in the Appendix dated 15 May 2020.

The external auditors have unrestricted access to the AC.

The AC is satisfied that the Company is in compliance with Rules 712 and 715 of the Catalist Rules in relation to its external auditors.

The AC takes measures to keep abreast of the changes to accounting standards and issues which have impact on the Group's financial statements, with training conducted by professionals or external consultants. In FY2019, the AC was briefed and updated by the external auditors on the changes or amendments to the accounting standards and its corresponding impact on the financial statements, if any.

## **Whistle-blowing policy**

The Company has in place a whistle-blowing policy which provides well-defined and accessible channels in the Group through which employees and any other persons may raise concerns, in confidence, on improper conduct or other matters to the Management and/or the AC, where applicable. The details of the policy have been disseminated and made available to all parties concerned.

# REPORT ON CORPORATE GOVERNANCE

The AC oversees the administration of the policy and ensures that all concerns to be raised are independently investigated and appropriate follow-up actions are carried out.

## Internal Audit

The Company has outsourced the internal audit function to Crowe Governance Sdn. Bhd. who will report to the AC. The AC approves the hiring, removal, evaluation and compensation of the internal auditors and the internal auditors have unrestricted access to all the Company's documents, records, properties and personnel, and reports directly to the AC on audit matters.

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

***Principle 11 – The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

Shareholders are encouraged to participate during the general meetings. Shareholders are informed of Shareholders' meetings through notices contained in annual reports or circulars sent to all Shareholders. These notices are also published in the Business Times and posted onto the SGXNET.

Any notice of general meeting consisting of only ordinary resolution is issued at least 14 calendar days before the scheduled date of the meeting while a notice of general meeting containing special resolution is issued at least 21 calendar days before the scheduled date of the meeting. All shareholders (other than a relevant intermediary as defined under Section 181 of the Companies Act) can appoint up to two (2) proxies to attend, vote and speak in general meeting in his stead. The Company allows relevant intermediaries to appoint more than two (2) proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

The Company tables separate resolutions at general meetings for each distinct issues for approval by shareholders unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. A proxy form is sent with the notice of general meeting to the Shareholders. The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages for general meetings.

At the Company's general meetings, all Directors are usually present and shareholders are given the opportunity to voice their views and ask Directors, in particular the chairman of the Board Committees or the Management questions regarding the Company's business activities or financial performance. In addition to the Board, the external auditors are also invited to attend the AGMs to assist the Directors in addressing shareholders' queries about the conduct of audit and the preparation and contents of the auditors' report. For FY2019, the Company held one annual general meeting and an extraordinary general meeting. All members of the Board were present for both meetings.

As the authentication of Shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being not to implement voting in absentia by mail, email or fax. In this connection, the Company has not amended its Constitution to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the identity of the shareholders through the web is not compromised.

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings, and responses from the Board and the Management. The minutes are made available on the Company's website.

In view of the Covid-19 situation, the Company will be putting in place alternative measures and arrangements for its upcoming AGM. Shareholders are advised to refer to the Company's announcement on SGXNet on the notice of AGM which will be released in due course for more information on the AGM.

# REPORT ON CORPORATE GOVERNANCE

The Company does not have a fixed dividend policy. The form, frequency and amount of declaration and payment of future dividends on shares of the Company that the Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as other factors deemed relevant by the Directors:

- the level of cash and retained earnings;
- actual and projected financial performance;
- projected levels of capital expenditure and expansion plans;
- working capital requirements and general financing needs and conditions; and
- restrictions on payment of dividend imposed to the Company (if any).

The Board has not declared or recommended a dividend for FY2019 as the Group recorded a loss from its continuing operations in FY2019.

## SHAREHOLDER ENGAGEMENT

***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.***

***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 Company's dedicated internal Investor Relations ("IR") team is tasked with and focuses on facilitating effective and fair communication between the Company and its shareholders by regularly conveying pertinent information to shareholders, attend to their queries as well as to keep shareholders apprised of the Group's corporate developments and financial performance.

In presenting the annual financial statements and quarterly results announcements to the shareholders of the Company, it is the aim of the Board to provide the shareholders with a balanced and understandable assessment of the Group's financial performance, financial position and business prospects. The financial performance and annual reports are announced or issued within the mandatory period under the Catalist Rules and are available on the Company's website.

The Company does not practice selective disclosure, and price sensitive information is publicly released on an immediate basis pursuant to the Catalist Rules. Shareholders, investors and analysts are kept informed of the major developments of the Company on a timely basis through various means of communication as follows:

- announcements and press releases (with contact details for investors to channel their comments or queries) via SGXNET;
- annual reports and notice of AGM issued to all shareholders;
- price sensitive information, significant transactions or matters are communicated to shareholders via SGXNET; and
- the Company's website at <https://www.iev-group.com/>

The IR team, together with the Management, will conduct roadshows, participate in investor seminars and conferences, analyst meetings to keep the market, shareholders and investors apprised of relevant information, to enable them to have a better understanding of the business, latest developments and financial performance of the Group. The Company makes available its briefing materials to analysts and the media through press releases which are released on SGXNET and its corporate website, with contact details for investors to channel their comments and queries.

The Company solicits feedback from and addresses the concerns of Shareholders (including institutional and retail investors) by email via a dedicated investor relations email: [ir@iev-group.com](mailto:ir@iev-group.com) or in writing to the Company's headquarter located at Malaysia. The Company also attends to shareholders' queries made via telephone.

# REPORT ON CORPORATE GOVERNANCE

The Company undertakes a formal stakeholder engagement exercise, such as formal and informal meetings, surveys, site visits, and feedback channels to identify material stakeholder groups which include shareholders, regulators, employees, suppliers and customers as well as the local communities. The Group has identified the environmental, social and governance factors that are important to these stakeholders. These factors form the materiality matrix upon which targets, metrics, programmes and progress are reviewed by and approved by the Board, before they are published annually in our sustainability report. Further details can be found in our sustainability report for the year ended 31 December 2019 which will be released by May 2020.

## INTERESTED PERSON TRANSACTION (“IPTs”)

The AC is satisfied that the review procedures for IPTs and the reviews to be made periodically by the AC in relation thereto are adequate to ensure that the IPTs will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. All IPTs are subject to review by the AC to ensure compliance with the established procedures. In the event that a member of the AC is involved in any IPT, he will abstain from reviewing that particular transaction.

The Group does not have a general mandate for shareholders for recurring IPTs pursuant to Rule 920(1)(a)(i) of the Catalist Rules. The details of IPTs in FY2019 are set out below:

Name of Interested Person	Nature of relationship	Aggregate value of all IPTs (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Disruptech Holdings Sdn. Bhd. (“Disruptech”)	Disruptech is wholly-owned by Mr Christopher Do who is President, Chief Executive Officer and substantial shareholder of the Company.	SGD116,000 <sup>(1)</sup> USD16,000 <sup>(2)</sup>	–

<sup>(1)</sup> As announced by the Company on 23 October 2019, IEV Group Sdn. Bhd. has entered into a share sale agreement with Disruptech for the disposal of IEV Technologies Vietnam Limited Liability Company (“IEV Vietnam”) and IEV Engineering (India) Pvt Ltd (“IEV India”). Following the completion of the disposal, IEV Vietnam and IEV India ceased to be subsidiaries of the Company.

<sup>(2)</sup> The Group's wholly-owned subsidiary, IEV International Limited entered into a loan agreement with Disruptech on 17 December 2019 for a facility of USD200,000 for a period of 1 year from the date of agreement which may be renewed subject to mutual agreement between both parties. The loan bears an interest of 8% per annum, payable on a monthly basis and is secured on the Group's all rights and beneficial interest in the world-wide patents of marine growth products. Please refer to Note 23 of the Notes to Financial Statements for more details.

## DEALINGS IN SECURITIES

In line with Rule 1204(19) of the Catalist Rules on dealings in securities, the Company has in place a policy prohibiting share dealings by Directors, officers and employees of the Group during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, and one (1) month before the full financial year, as the case may be, and ending on the date of the announcement of the relevant results. This has been made known to Directors, officers and employees of the Group. They are also reminded to observe the insider trading laws at all times even when dealing in securities within permitted trading period. Directors, officers and employees of the Group are also prohibited from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information.

Directors are required to notify the Company of their securities dealings within two (2) business days of such dealings and the Company shall disseminate the notifications received to the market via SGXNet within one (1) business day of receiving such notifications.

# REPORT ON CORPORATE GOVERNANCE

## MATERIAL CONTRACTS

Save for the service agreements entered into between Executive Directors and the Company and the contracts which have been published via SGXNet, there are no other material contracts or loans entered into by or taken up by the Company or its subsidiaries involving the interest of any Director or controlling shareholder which are either still subsisting as at the end of FY2019 or if not then subsisting, entered into since the end of the previous financial year.

## NON-SPONSORSHIP FEES

With reference to Rule 1204(21) of the Catalyst Rules, S\$70,000 was paid to the Sponsor, SAC Capital Private Limited, in FY2019 as introducer fees in respect of the subscriptions of up to 80 million shares in the capital of the Company as announced on 26 April 2019.

## USE OF PROCEEDS

The Company's net proceeds arising from the allotment and issue of 80.0 million new ordinary shares at an issue price of S\$0.025 per share in the capital of the Company through a share subscription exercise (the "**Share Subscription**") that was completed on 15 May 2019 of approximately S\$1.906 million (after deducting expenses of approximately S\$0.094 million incurred by the Company in connection with the Share Subscription) have been utilised as follows:

Use of Proceeds	Amount allocated (as announced on 26 April 2019) (S\$'000)	Amount utilised as at 31 March 2020 (S\$'000)	Balance of net proceeds (S\$'000)
(i) Identify and invest into new business	1,000	635	365
(ii) Working capital	906	888 <sup>(1)</sup>	18
Total	1,906	1,523	383

Note 1. Working capital utilisation comprise of (i) payment of trade and other payables of S\$274 thousand; (ii) payment of professional fees of S\$273 thousand; and (iii) manpower and overheads of S\$341 thousand.

The Company's net proceeds arising from the allotment and issue of 76.0 million new ordinary shares at an issue price of S\$0.05 per share in the capital of the Company through a share subscription exercise (the "**Share Subscription**") that was completed on 14 January 2020 of approximately S\$3.788 million (after deducting expenses of approximately S\$0.012 million incurred by the Company in connection with the Share Subscription) have been utilised as follows:

Use of Proceeds	Amount allocated (as announced on 23 December 2019) (S\$'000)	Amount utilised as at 31 March 2020 (S\$'000)	Balance of net proceeds (S\$'000)
(i) Renovation and refurbishment of postpartum centres	3,000	1,918	1,082
(ii) Working capital	788	788 <sup>(1)</sup>	0
Total	3,788	2,706	1,082

Note 1. Working capital utilisation has been mainly for property rental for a postpartum centre.

## SUSTAINABILITY REPORTING

The Company recognises the importance of sustainability and will be implementing the appropriate policies and programs. The Company will publish its sustainability report by 31 May 2020, in accordance with Practice Note 7F of the Catalyst Rules.