Mewah

GROWING VALUE BY NOURISHING LIVES

MEWAH INTERNATIONAL INC.

Mewah International Inc. (the "**Company/Mewah**" together with its subsidiaries, the "**Group**") has been in operations since the 1950s. Mewah is a global food and agri-business listed on the Mainboard of the Singapore Stock Exchange Securities Trading Limited since 2010. Today, Mewah has grown to be one of the prominent edible oils and fats businesses with total refining capacity in excess of 3.5 million MT annually. Mewah currently has edible oil refineries, various food manufacturing plants such as bakery and confectionary products, biodiesel plant and dairy factory spread out between Malaysia, Singapore and Indonesia. Mewah also markets and distributes a range of Fast-Moving Consumer Goods products such as rice, cashew, dairy related products, food premixes and soap. Mewah's products are marketed to more than 100 countries through a well-established global sales and distribution network, duly supported by its wide range of brands including our flagship brands **OKI** and **MOI** brands.

Sales to over **100** countries

SALES AND MARKETING OFFICES

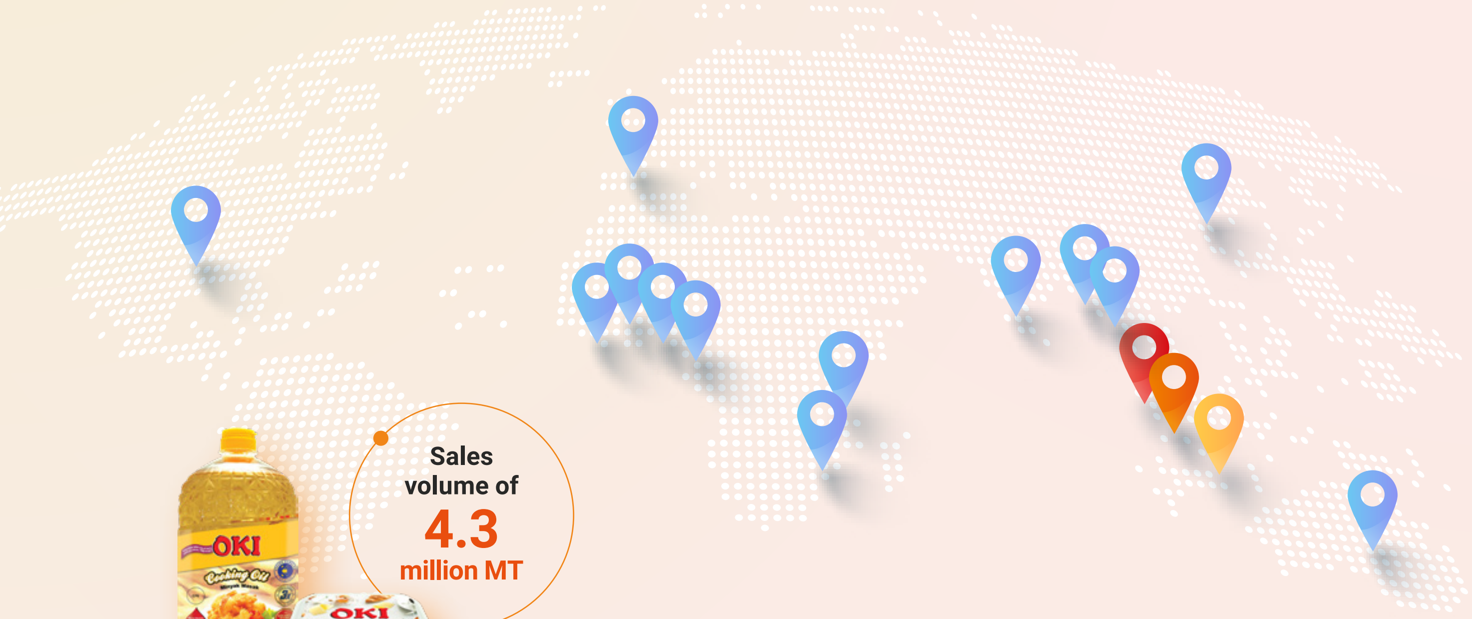
Malaysia, Singapore Australia, China, Turkey, India, Ivory Coast, USA, Nigeria, Ghana, Uganda, Mozambique and Cameroon

Our Long Established Brands

OKI Moi Duke's MONA DELi AROME

Contents

Scan to see Mewah Annual Report 2023 online:



Sales volume of **4.3 million MT**

MANUFACTURING OPERATIONS

Malaysia, Singapore, Indonesia

Malaysia

- 4 edible oil refineries and manufacturing plants
- 2 packing plants
- 1 biodiesel plant
- 1 dairy manufacturing plant

Singapore

- 1 packing plant

Indonesia

- 1 edible oil refinery, manufacturing & packing plant
- 3 milling plants*
- 1 plantation*

* Plantation and milling plants in Indonesia are insignificant to the Group

Corporate Profile

Our operations are integrated throughout the value chain from sourcing of raw materials, refining, processing, packing, branding to marketing and distribution to end customers under our own brands.

A GLOBAL FOOD AND AGRI-BUSINESS focused on edible oils and fats

UPSTREAM

- Plantation*
- Milling*

MIDSTREAM

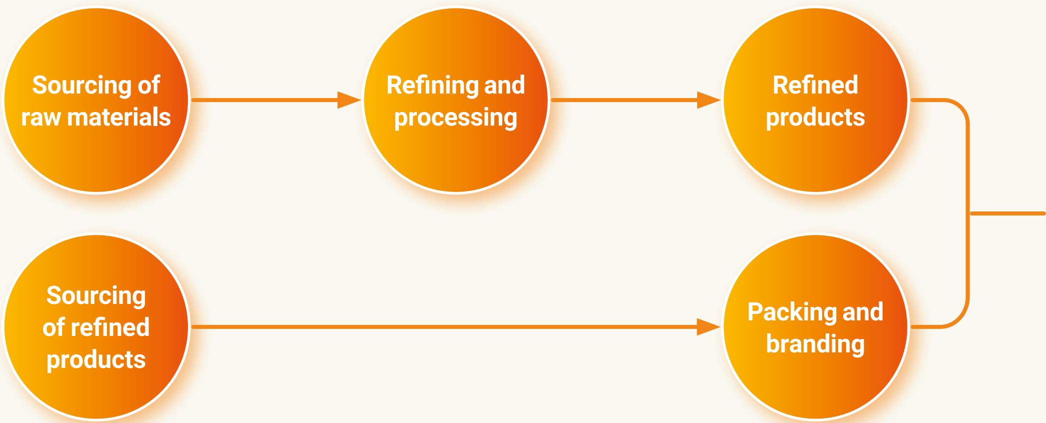
- Refining vegetable oil
- Specialty oils
- Bioenergy

DOWNSTREAM

- Consumer packs
- Branding
- Private Label
- Sale / marketing
- Distribution

Bulk

Bulk segment produces and sells vegetable-based edible oil and fat products in bulk form primarily to distributors and factories involved in the production of confectionery, bakery products and other food items. Additionally, the Group also produces bioenergy products as part of its bulk products offerings.



Consumer Pack

Consumer pack segment produces vegetable-based edible oil and fat products, in consumer pack form and sell under own brands and under the brands of third parties, primarily to importers and distributors at destination markets. Dairy related products, soap, and rice are also part of the Group's Consumer Pack portfolio, which serves as additional stream of income and help to better serve existing customers, as they normally deal in a basket of commodities.

* Plantation and milling plants in Indonesia are insignificant to the Group

>70
years of operations

Sales volume of
4.3
million MT

SALES MARKETING & DISTRIBUTION

CUSTOMERS

Total refining capacity of
3.5
million MT annually

Our Flagship Brands –
OKI & MOI

Products are sold to customers in
>100
countries

Consumer Products Range

Our range of consumer products include cooking oils, margarine, rice, cashew, sweetened condensed creamer, evaporated milk, cheese, soap, detergent and premix powder. We are continuously working on expanding the products range.

MILESTONES

Awards & Accolades

2011

Mewah awarded Best Annual Report-Silver Award under First-Year Listed Companies Category by Singapore Corporate Awards 2011.

2015

OKI oil awarded the Top Brand title for Premium Cooking Oil category in the year 2015.

2020

Mewah's Board was ranked top among the Mid-Cap companies category and fourth among all 704 primary listing companies on SGX in the Inaugural Singapore Board Diversity Index.

2021

Our Executive Director, Deputy Chairperson and CEO has been awarded the Outstanding Chief Executive of the year 2020/2021 at the Singapore Business Awards presentation ceremony.

Realising Growth by Delivering Value

Securing the Future by Embracing Sustainability

1950s

Commenced packing facility in Singapore.

1987

1st vegetable oil refinery in Semenyih, Malaysia.

1994

Commissioned an integrated food manufacturing complex in Pasir Gudang, Malaysia.

2002

Commissioned an integrated food manufacturing complex in Klang, Malaysia.

2009

Became an active member of RSPO and one of the first refiners in Malaysia certified for RSPO Supply Chain Certification.

2010

Listed on the mainboard of the Singapore Stock Exchange (**"SGX"**).

2011

Expanded into Soap Business.

2012

Expanded into Rice Business.

2013

Commissioned a dairy plant in Klang, Malaysia.

2014

- 4th vegetable oil refinery built in Sabah, Malaysia.
- Expanded into the Bioenergy Business in Klang, Malaysia.

2022

Mewah recognised as the Fastest Growing Company in its Sector by The Edge Singapore's 2022 Centurion Club Awards (the Billion Dollar Club Category consisting of SGX-listed companies in Food & Beverage Sector with market value ranging between S$100 million to S$999 million).

2022

Received recognition – Sustainability Rising Star 2022 award from Asia Corporate Excellence & Sustainability Awards (**"ACES"**) for our sustainability performance in pioneering ESG initiatives to address sustainability challenges.

2023

Mewah accepts the Best ASEAN Human Development Award bestowed by HRM Asia and ASEAN Human Development Organisation (**"AHDO"**).

Growing Value by Nourishing Lives

2016

- Evaporated filled milk plant commissioned in Klang, Malaysia to complete Mewah range of canned milk product offerings.
- Cheese Plant commissioned in Klang, Malaysia with supporting cold-chain storage facilities.

2017

- Acquired 1st vessel to build logistic capabilities.
- Commissioned can making plant in Klang, Malaysia.
- Expanded into Premixes and Seasoning Business.

2018

- Expanded into Chocolate Malt Drink Business.

- Expanded into Indonesia via acquisition of a factory in Jambi, Indonesia.

2018

Participated in the supply of Healthier Blended Cooking Oil to the Singapore hawker food vendors under the Health Promotion Board (**"HPB"**)'s Healthier Ingredient Initiative.

2019

Became the first Malaysia's palm oil refinery to export MSPO-certified RBDPO to Japan.

2021

Mewah's joint venture business in Medan, Indonesia.

2022

Acquired 2nd factory in Riau, Indonesia.

2023

Acquired 3rd factory in Riau, Indonesia.

Investing in a refining plant in Dumai, Indonesia with construction works targeted to be completed in 2024.

Chairman's Message

In 2023, the global economy faced challenges due to persistent inflation and ongoing geopolitical tensions. The Russia-Ukraine conflict entered into its second year, while escalating tensions between Israel and Hamas added to the geopolitical uncertainty. The reopening of the Black Sea route provided some relief by increasing the supplies of grains and foodstuffs, but the attacks on vessels in the Red Sea created another global supply chain disruption. In response to rising inflation, the US Federal Reserve continued its most aggressive pace of monetary policy tightening since the 1980s. Looking ahead to 2024, multiple elections are scheduled across the globe including in the US, India, Indonesia, Mexico, several African countries and the European parliament. The outcomes of these elections may have significant implications for policy directions and priorities globally.

Despite facing challenges, our focus on customer service, product quality and production and distribution operations enabled the Group to achieve a higher sales volume of 4,334,600 metric tonnes (**"MT"**) as compared to 4,293,000 MT in 2022. This came on the back of the lower trajectory of crude palm oil (**"CPO"**) prices, which averaged RM3,842 a tonne in 2023, representing a significant decrease from the averaged RM5,137 a tonne recorded in 2022. As a result of the prevailing market conditions, the Group's net profit attributable to equity holders moderated to US$40.6 million in 2023, contracting by 64.3% from the high base of the previous year. Notably, the Bulk segment's operating margin decreased from US$215.9 million in 2022 to US$101.4 million. However, this was partly offset by the positive performance of the Consumer Pack segment, which reported a 17.3% increase in operating margin to US$99.7 million in 2023. Nonetheless, the Group achieved satisfactory operational performance by leveraging our extensive and robust global distribution network, integrated midstream and downstream production capabilities, and the management's wealth of diverse experience. Supported by lower prevailing average selling prices, the Group managed to significantly reduce its working capital to achieve our highest ever cash flows from operations at US$314.8 million. Our Balance Sheet continued to remain strong with low net debt to equity ratio of 0.33.

As we look ahead to 2024, the palm oil industry is expected to continue encountering challenges such as demand-supply fluctuations, climate change, inflation, competing vegetable oils and geopolitical tensions. However, the fundamentals of the palm oil industry remain supported by tight inventories and rising domestic demand creation in Indonesia. Drawing upon the Group's solid foundation, we remain committed to expanding our global footprint and deepening our positive impact in the markets and communities where we operate.

Increasing focus on sustainability has led to intensifying efforts in Malaysia and Indonesia to elevate environmental standards and support for smallholders. Notably, Indonesia's B35 biodiesel mandate to bolster domestic palm oil demand for energy purposes together with sustained long-term demand in key markets such as China and India underpin the strength of our business. We are committed to strengthen our large-scale integrated manufacturing facilities and capabilities in Malaysia, expand our footprints in Indonesia, reinforce our global supply chain network, fortify our balance sheet position and build quality brands that people love.

The unwavering support of our shareholders during these volatile times is instrumental to the Group's continued resilience. In acknowledgement of this support, the Board of Directors is proposing a final exempt dividend of S$0.0061 per ordinary share. Together with the interim dividend of S$0.0014 already paid, shareholders would have received a total of S$0.0075 per ordinary share for the full year.

I would also like to express my heartfelt gratitude to our esteemed long-serving directors, Dr Foo Say Mui (Bill) and Mr Robert Loke Tan Cheng. Following our Annual General Meeting on 26 April 2024, they will be retiring in accordance with SGX RegCo's regulations on Independent Directors' tenure. Their invaluable service and leadership on key Board committees have left an indelible mark on the Group.

In times of adversity, resilience becomes paramount. It is our Board of Directors and senior management team's collective wealth of management experience and expertise, the passion and can-do spirit of our talented employees, and the invaluable support of our customers, suppliers, bankers and other stakeholders that have propelled the Group forward. Together, we are confident that we can continue to build on the Group's 70-year legacy and navigate this era of uncertainty with purpose – nurturing growth and value for all.

DR CHEO TONG CHOON @ LEE TONG CHOON
Chairman and Executive Director

CEO'S Message

In the face of significant challenges for the palm oil industry in 2023 including volatile demand-supply dynamics, uncertain weather patterns, market speculations about inflation, our team remained resilient and focused on executing our day-to-day business to maintain our market share and capture margins within the supply chain.

Despite the demanding backdrop, the Group achieved a nominal 1.0% increase in our sales volume in 2023 to achieve 4,334,600 million metric tonnes (**"MT"**) and a respectable operational performance. For the year ended 31 December 2023, the Group posted a net profit attributable to equity holders of US$40.6 million, a decrease of 64.3% from our record-breaking performance in the preceding year.

Our Bulk segment experienced a decline in revenue by 28.3% to US$2,886.8 million, primarily attributable to 29.1% lower average selling prices in comparison to 2022. As this segment contributed 70.0% of the Group's total revenue and 50.4% of the total operating margin, the Group's overall revenue decreased 24.0% to US$4,123.8 million, with the total operating margin reducing by 33.2% to US$201.1 million. Conversely, our Consumer Pack segment demonstrated a robust operational performance with a 17.3% improvement in its operating margin in 2023. This performance reflects our resilience and strategic adaptability in navigating the complex market environment.

While 2023 proved to be a challenging year for the Group and the broader palm oil industry, our emphasis on prudent capital management, cost efficiencies and cash discipline enabled the Group to achieve record operating cash flows from operations of US$314.8 million after working capital changes. Additionally, we maintained a low gross debt to equity ratio at 0.50 and net debt to equity ratio at 0.33. The Group ended the year with a total equity of US$786.5 million – further strengthening our balance sheet and the health of our financial position.

As a forward-looking organisation that prioritises quality and innovation, our manufacturing facilities in Malaysia are integrated and state-of-the-art, our global supply chain network is strong and robust, and our brands are well-loved by consumers. We are making good progress on our growth initiatives in Indonesia with our green-field palm oil refinery expected to start producing in 2024.

Foreseeably, the macro environment is likely to remain challenging in the short run. The cost to borrow money in real terms is around the highest it's been since the financial crisis. The lagged effects of restrictive interest rates are expected to continue to hinder private consumption and investments. It is therefore important that we build resilience through strengthening our capabilities holistically. People are at the heart of our organisation. We believe in developing and uplifting our people's skills and knowledge.

Hearteningly, our focus in this aspect was recognised at the HR Fest Awards 2023, where the Group was awarded the Best ASEAN Human Development Award.

None of these accomplishments would have been possible without the dedication and collaborative efforts of our Board of Directors, Chairman, shareholders, customers, venture partners, suppliers, bankers and other stakeholders. I extend my heartfelt gratitude to my senior leadership team and their global teams for their invaluable counsel and dedication to delivering value through continuous improvement, innovation and sustainable practices. I am proud of our team's commitment across our value chains fulfilling our mission of supplying essential food, feed and fuel to the world.

In the way forward, furthering the well-being of our business, people and the communities where we operate will continue to inspire and guide our everyday actions.

MS MICHELLE CHEO HUI NING
Deputy Chairperson, Chief Executive Officer and Executive Director

Board of Directors

DR CHEO TONG CHOON @ LEE TONG CHOON

Executive Chairman

First appointment as Director: 29 October 2010
Last re-election as Director: 28 April 2021

Will be seeking re-election at the 2024 Annual General Meeting

Served on the following Board Committees

- Member of Nominating Committee

Academic and professional qualification

- Doctor of Medicine (MD) Degree, the University of Saskatchewan, Canada

Present directorships in other Singapore listed companies

- NIL

Past (3 years) directorships in other Singapore listed companies

- NIL

Background and working experience

- Has been leading Mewah for the past four decades
- Responsible for leading the Board, ensures effective collaboration with non-executive directors, effective communication with shareholders and promoting high standards of corporate governance
- Established Mewah's strategic trajectory, steering it expansion into refining, manufacturing and trading of palm oil and direct diversification initiative into bioenergy, rice, dairy, premixes & seasonings, and soap
- Began his career as a registered medical practitioner (1975 to 1986) with a group of medical specialists, Drs Bain & Partners in Singapore

Membership and others

- Member of the Royal Colleges of Physicians of the United Kingdom in internal medicine

MS MICHELLE CHEO HUI NING

Deputy Chairperson, Chief Executive Officer and Executive Director

First appointment as Director: 29 October 2010
Last re-election as Director: 28 April 2022

Served on the following Board Committees

- NIL

Academic and professional qualification

- Chemical Engineering Degree, Imperial College, London
- Master of Business Administration, INSEAD

Present directorships in other Singapore listed companies

- NIL

Past (3 years) directorships in other Singapore listed companies

- NIL

Background and working experience

- Joined Mewah since 2003, spearheads the Group's comprehensive strategy, encompassing new business development, project execution, risk management, factory operations and ESG initiatives
- Expanded Mewah's supply chain into Indonesia, additional facilities in Malaysia, including refineries, specialty fats facilities, bioenergy and dairy factory
- Facilitate the inclusion of Mewah on the mainboard of Singapore Exchange during 2010 listing
- Prior to joining Mewah, she contributed to Exxon Mobil (1997 to 2003) in USA and Singapore
- Council member of the Singapore Chinese Chamber of Commerce & Industries (**"SCCCI"**) since 2019

Awards

2019: Her Times Women Empowerment Award
2021: Outstanding Chief Executive of the Year, Singapore Business Awards

MS BIANCA CHEO HUI HSIN

Executive Director and Chief Operating Officer

First appointment as Director: 29 October 2010
Last re-election as Director: 28 April 2023

Served on the following Board Committees

- NIL

Academic and professional qualification

- Bachelor of Laws, King's College University of London

Present directorships in other Singapore listed companies

- NIL

Past (3 years) directorships in other Singapore listed companies

- NIL

Background and working experience

- Joined Mewah since 2004, leads the Consumer Pack segment overseeing development of brands and managing the sales of premium customised oils & fat products
- Expanded the division into rice, soap, premixes and dairy products such as condensed and evaporated milk, introducing Mewah to global markets in West Africa (such as Benin, Cameroon, Ghana, Cote d Ivoire, Mozambique), Europe (Turkey), and South America
- Established cashew and sesame division
- Facilitating the expansion Mewah's operation into more than 100 countries
- Facilitated Mewah's listing on the mainboard of Singapore Stock Exchange
- Chairman of Development and Advocacy Panel in National Cancer Centre, Singapore
- Trustee of the Board of National Cancer Centre Research Fund (**"NCCRF"**) and a member of the Institution Fund Committee
- Chairperson of Remuneration Committee and an Independent Commissioner on the Board of Commissioner of PT Matahari Department Store Tbk, the largest retail platform in Indonesia with stores located across the country and online presence on Matahari.com

MR ROBERT LOKE TAN CHENG

Independent Director

First appointment as Director: 28 April 2015
Last re-election as Director: 28 April 2021

<u>Will not be seeking re-election at the 2024 Annual General Meeting</u>

Served on the following Board Committees

- Chairman of Audit Committee
- Member of Remuneration Committee
- Member of Nominating Committee

Academic and professional qualification

- Post Graduate Diploma in Management, McGill University
- MBA and Bachelor of Engineering (Electrical) cum Laude (Distinction), Concordia University

Present directorships in other Singapore listed companies

- NIL

Past (3 years) directorships in other Singapore listed companies

- NIL

Background and working experience

- 30 years of banking experience, having held prominent roles in major global, regional corporate lending, risk management, and investment banks across Asia
- Chief Executive Officer and Executive Director of Bangkok Bank Berhad, Malaysia
- Vice-Chairman of the ABS's Credit Risk task force
- Director for Bangkok Bank Nominees, Malaysia
- Held various positions in risk management and operational banking with Nomura Singapore Limited, Keppel Tatlee Bank, OCBC Group, Allied Irish Bank, and Chase Manhattan Bank

Membership and others

- Member of the Association of Banks in Singapore's (**"ABS"**) Standing Committee for Risk Management

Board of Directors

DR FOO SAY MUI (BILL)

Lead Independent Director

First appointment as Director: 28 April 2015
Last re-election as Director: 28 April 2022

Will not be seeking re-election at the 2024 Annual General Meeting

Served on the following Board Committees

- Chairman of Nominating Committee
- Chairman of Remuneration Committee

Academic and professional qualification

- Bachelor of Business Administration, Concordia University, Canada
- Master of Business Administration, McGill University
- Honorary Doctorate of Commerce, James Cook University

Present directorships in other Singapore listed companies

- Tung Lok Restaurants (2000) Ltd

Past (3 years) directorships in other Singapore listed companies

- NIL

Background and working experience

- 30 years' experience in the financial services industry
- CEO/General Manager of Australia & New Zealand Banking Group Ltd. (**"ANZ"**) in Singapore
- Vice Chairman, South and Southeast Asia of ANZ
- President Director in Indonesia and Regional Head of Investment Banking
- Director and advisor to several listed and private companies including Tung Lok Restaurants (2000) Ltd., Tower Capital Asia Pte. Ltd., Kenon Holdings Ltd., Business Circle Singapore Pte. Ltd., M&C REIT Management Ltd, Investible Funds VCC and Agrocorp International Pte Ltd

DATUK DR FAWZIA BINTI ABDULLAH

Independent Director

First appointment as Director: 8 August 2017
Last re-election as Director: 28 April 2023

Served on the following Board Committees

- Member of Audit Committee
- Member of Nominating Committee

Academic and professional qualification

- Bachelor of Dental Surgery, University of Singapore
- Postgraduate Degree in Public Health Dentistry, London University

Present directorships in other Singapore listed companies

- NIL

Past (3 years) directorships in other Singapore listed companies

- NIL

Background and working experience

- Currently serving on the Board of Econ Health Care and Nursing Home Sdn. Bhd. in Malaysia
- 32 years tenure in the Ministry of Health Malaysia, she made history as the first female Director of Oral Health
- Foundation Dean of the Faculty of Dentistry at SEGI University holding the position of Professor and Head of Dental Faculty
- Appointed as Public Services Commissioner by the Yang Di Pertuan Agong of Malaysia
- The first woman Honorary Member of the Malaysian Dental Association (**"MDA"**), served as its Vice President

Awards

1976: Pingat Ibrahim Sultan
1978: Setia Mahkota Johor
1999: Received the honourable title — Panglima Jasa Negara (**"P.J.N"**) by DYMM Yang Di Pertuan Agong of Malaysia

Membership and others

- Fellow of Federation Dentaire International, founded in Paris

TAN SRI DATO' A GHANI BIN OTHMAN

Independent Director

First appointment as Director: 24 February 2021
Last re-election as Director: 28 April 2021

Will be seeking re-election at the 2024 Annual General Meeting

Served on the following Board Committees

- Member of Audit Committee
- Member of Remuneration Committee

Academic and professional qualification

- A Colombo Plan Scholar, Bachelor of Economics (Hons) degree, La Trobe University, Australia
- Master of Political Economy, Queensland University, Australia

Present directorships in other Singapore listed companies

- NIL

Past (3 years) directorships in other Singapore listed companies

- NIL

Background and working experience

- Board member of Trustees of Malaysian Institute of Economic Research (**"MIER"**)
- Chairman of Sime Darby Plantation Bhd, Sime Darby Bhd and Sime Darby Property Bhd
- Chief Minister of Johor for 18 years
- Chaiman of Johor Corporation and Co-Chairman of Iskandar Regional Development Authority
- Held ministerial positions, including Deputy Minister of Energy, Telecommunications and Post, Deputy Minister of Finance and Minister of Youth and Sports
- Board member of Trustees of World Islamic Economic Forum (**"WIFE"**)
- Dean of the Faculty of Economics and Administration
- Beginning as a lecturer at the University of Malaya

Awards

2006: Honorable award – Darjah Kerabat Johor 1, DK1 by DYMM Sultan Iskandar of Johor
2014: Received the honourable title – Tan Sri- Darjah Panglima Setia Mahkota Johor, PSM by DYMM Yang Di Pertuan Agong of Malaysia

PROFESSOR ANNIE KOH

Proposed Appointment as Independent Director

Proposed Appointment as Director: 26 April 2024

(Proposed Appointment) Board Committees

- Chairperson of Audit Committee
- Member of Remuneration Committee
- Member of Nominating Committee

Academic and professional qualification

- Bachelor of Social Science & Economics (Hons) National University of Singapore
- Master of Philosophy and Doctor of Philosophy in International Finance, New York University
- Monetary Authority of Singapore Scholar and Fulbright Scholar

Present independent directorships in other Singapore listed companies

- AMTD IDEA Group (formerly known as AMTD International Inc.)
- KBS US Prime Property Management Pte. Ltd. (manager of Prime US REIT)
- Yoma Strategic Holdings Ltd

Past (3 years) directorships in other Singapore listed companies

- Health Management International Ltd (**"HMI"**)
- K1 Ventures Limited

Background and working experience

- Professor Emeritus of Finance (Practice) at Lee Kong Chian School of Business at Singapore Management University (**"SMU"**)
- Chaired the Asian Bond Fund 2 supervisory committee of the Monetary Authority of Singapore (**"MAS"**)
- Committee member of Singapore's Customs Advisory Council.
- Board member of the Singapore Food Agency.
- Chairman of Prime US REIT
- Independent director of Prudential Assurance Company Singapore Pte Ltd, and board member of Eton House Community Fund (Charity)
- Investment committee member of iGlobe Partners
- Previously served on the boards of GovTech, Singapore's CPF, Health Management International Ltd (**"HMI"**), K1 Ventures Limited
- Was a member of the World Economic Forum Global Future Council and HR Industry Transformation Advisory Panel

Board of Directors

- Held several leadership positions at SMU, including Vice President for Business Development, V3 Group Professor of Family Entrepreneurship, Academic Director of the Business Families Institute and the International Trading Institute, Associate Dean of the Lee Kong Chian School of Business and Dean of the Office of Executive and Professional Education
- Co-author of books such as Financial Management: Theory and Practice, 2nd edition (2021), and Financing Internationalisation – Growth Strategies for Successful Companies (2004) and co-editor of Asian Family Business: Succession, Governance and Innovation (2020), and author of a number of Asian family business cases and survey reports.

Awards

2010: Awarded the Bronze Singapore Public Administration Medal
2016: Awarded the Silver Singapore Public Administration Medal
2017: Received the Adult Education Prism Award
2023: Received the Tripartite Alliance Award

MR RICHARD EU YEE MING

Proposed Appointment as Lead Independent Director

Proposed Appointment as Director: 26 April 2024

(Proposed Appointment) Board Committees
- Chairman of Nominating Committee
- Chairman of Remuneration Committee

Academic and professional qualification
- Bachelor of Laws (LL.B) Hons, University of London

Present directorships in other Singapore listed companies
- SUTL Enterprise Limited
- Tuan Sing Holdings Limited

Past (3 years) directorships in other Singapore listed companies
- Broadway Industrial Group Limited

Background and working experience
- Key appointment holder for Eu Yan Sang Group from 1989, appointed as Group CEO and subsequently the Group Chairman
- Founding Chair, Singapore Advisory Council, The Nature Conservancy Singapore Limited
- Chairman, Advisory Panel, Termasek Polytechnic, Centre of Innovation for Complementary Health Products
- Non-Executive Director, Broadway Industrial Group Limited
- Pro-Chancellor, Singapore University of Social Sciences
- Non-Executive Director, Vanda Global Capital Pte. Ltd.
- Non-Executive Director, Nippon Life India Asset Management (Singapore) Pte. Ltd.
- Non-Executive Director, Dragonfly Education Group Pte. Ltd.
- Managing Director of Intervest Capital Management Pte Ltd
- Corporate Planning Manager and Company Secretary of Metro Holdings Ltd
- Deputy Managing Director of Dataprep (Holdings) Ltd, Chairman of Dataprep (Singapore) Pte Ltd and Director of Dataprep (Malaysia) Sdn Bhd
- Dealer, J Ballas & Co. Pte Stockbrokers
- Assistant to Managing Director, Hong Kong Television Broadcasts Ltd
- Various senior positions in the company now known as Haw Par Corporation Ltd

Awards

2003: Entrepreneur of the Year Award, Singapore, Master Category, Ernst & Young
2007: Honorary Fellow, Marketing Institute of Singapore
2010: Best Chief Executive Officer Award (companies with market capitalisation less than S$300 million) at the Business Times Singapore Corporate Awards
2011: Ernst & Young Entrepreneur of the Year, Singapore, represented Singapore at the World Entrepreneur of the Year Awards
2019: Spirit of Enterprise- Nexia TS Entrepreneurship Award
2020 Public Service Medal (Pingat Bakti Masyarakat), Singapore National Day Awards 2020

Senior Management

DR CHEO TONG CHOON @ LEE TONG CHOON
Chairman and Executive Director

Details of Dr Cheo's working experience and qualifications are set out in "Board of Directors", page 8.

MS MICHELLE CHEO HUI NING
Deputy Chairperson, Chief Executive Officer and Executive Director

Details of Ms Cheo's working experience and qualifications are set out in "Board of Directors", page 8.

MS BIANCA CHEO HUI HSIN
Executive Director and Chief Operating Officer

Details of Ms Cheo's working experience and qualifications are set out in "Board of Directors", page 9.

MR RAJESH SHROFF
Chief Financial Officer

Mr Rajesh Shroff assumed the role of Chief Financial Officer at Mewah in 2019, bringing with him a three-decade career in financial leadership. In this capacity, Mr Shroff oversees financial strategies and planning, treasury and investor relations, corporate finance and corporate affairs, financial reporting and taxation.

With a robust foundation, Mr Shroff's career commenced at Ernst & Young Group, one of the prominent Big Four auditing firms. Over the years, he has held various management positions in food, agri-business & commodity trading sectors in Adani and Olam Group. His expertise encompasses Finance & Treasury, Risk & Compliance, Reporting & Taxation, Planning & Strategy, Merger & Acquisitions, Offshore Shared Services and Automation. Notably, he has also garnered experience in the manufacturing sector during his tenure with Birla Group.

Mr Shroff is also a Fellow member of The Institute of Chartered Accountants of India and an Associate member of The Institute of Company Secretaries of India.

MR SHYAM KUMBHAT
Head of Trading and Merchandising

Mr Shyam Kumbhat joined Mewah in 1995, assuming the role of President of Mewah Oils & Fats Pte Ltd. His responsibilities include overseeing our palm oil bulk trading and marketing activities. With over 45 years of experience in the edible oils and fats industry, Mr Kumbhat brings a wealth of expertise to his position. Prior to joining Mewah, he worked with Pan Century Edible Oils Sdn. Bhd., and held the position Vice President, Marketing with this multinational A V Birla Group from 1977 to 1995.

MR CHEO JIAN JIA
Senior Executive Vice President, Commercial

Mr Cheo Jian Jia joined Mewah in 2012 as a trader, progressing to Trading Manager in 2014, and then to Senior Executive Vice President, Commercial in 2023. He is responsible for marketing and trading activities for products originating from East Malaysia and Indonesia. Before joining Mewah, Mr Cheo started his career with Bunge Global Agribusiness.

Mr Cheo graduated with a Bachelor of Science in Chemical Engineering from Northwestern University in 2011 and a Master of Science in Asian Studies from Nanyang Technology University in 2019.

Senior Management

MS WONG LAI WAN

Head of Risk Management

Ms Wong Lai Wan joined Mewah Group in 1987 as a Chemist. She has over 35 years of extensive experience. Her multifaceted expertise spans quality control, production, operations, logistics, marketing, trading, business development, and risk management. In her current role, Ms Wong is entrusted with overseeing operational controls and managing risks within the organisation.

Prior to joining Mewah, Ms Wong initiated her career as a Chemist with Pan Century Edible Oils Sdn. Bhd..

Ms Wong is a distinguished graduate, earning a Bachelor of Science degree in Chemistry with First Class Honours from University Kebangsaan, Malaysia.

MS AGNES LIM SIEW CHOO

Head of Operations (Malaysia)

Ms Agnes Lim Siew Choo joined Mewah since 1988, initially serving as a Factory Operations Executive. Over the years, she has ascended to oversee the factory operations of the Malaysian subsidiaries as the Group expanded. With over 35 years of experience in factory operations, Ms Lim's current portfolio encompasses responsibilities in production, quality assurance, procurement, and ensuring timely fulfilment of both local and overseas delivery commitments.

Prior to her tenure at Mewah, Ms Lim held the position of Operations Executive at Southern Edible Oils Sdn. Bhd. from 1983 to 1988. In this role, she managed various aspects, including receipt and dispatch of edible oil, production planning, and meeting local and overseas shipping requirements.

Ms Lim holds a Bachelor of Arts degree from The University of York, Toronto, Canada in 1982.

MR ANIL DASHRATH INGROLE

Head of Technical & Operations (South)

Mr Anil Dashrath Ingrole joined Mewah in 2011, initially as Technical Director, and has since advanced to lead the Technical & Operations aspects of key factories and projects. Boasting over 45 years of experience in oleochemical & palm oil industries, Mr Ingrole possesses profound expertise in technology transfer, cost-saving, and process innovations.

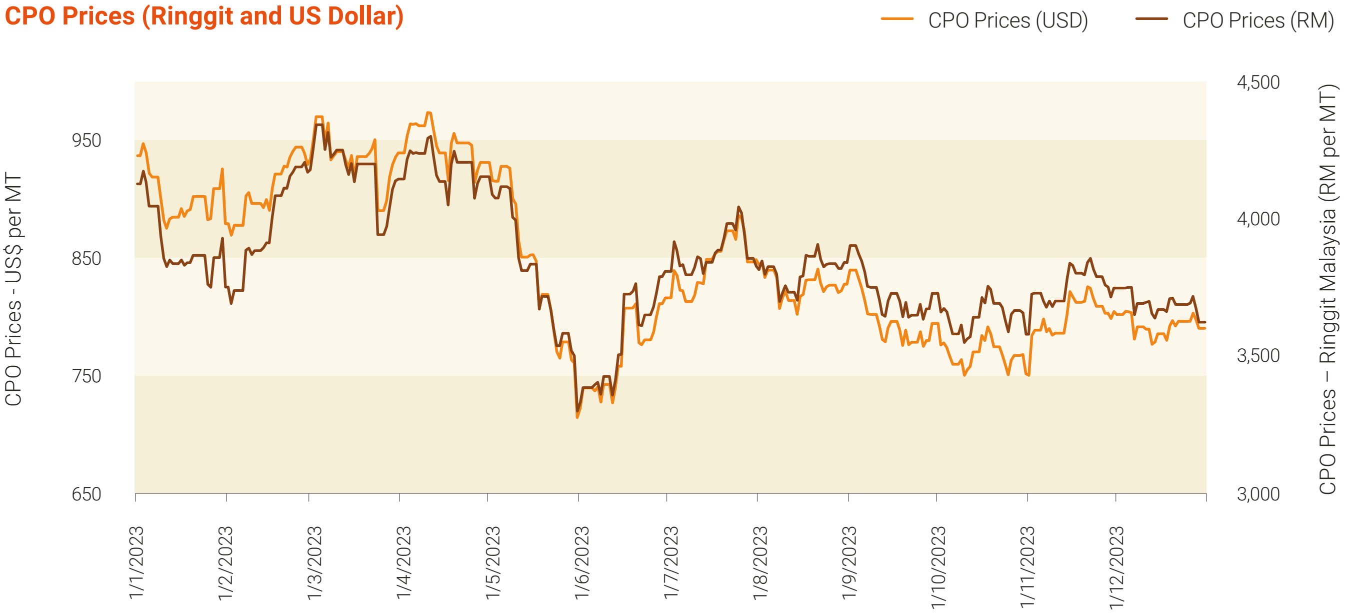
Before joining Mewah, he contributed to VVF India, Aditya Birla's Pan Century Oleochemical and Bombay Oil Industries.

An acknowledgement for his exceptional contributions, Mr Ingrole has received an honorary Doctorate from International Intern University and Distinguish Alumni Award from Institute of Chemical Technology (formerly known as UDCT) & its Alumni Association. His influence extends to industry committees, having served as a member of MPOB's Program Advisory Committee and Process Engineering and Oleochemical subcommittee and Chairman of Malaysia Oleochemical Manufacturers Group Technical committee.

REALISING GROWTH BY DELIVERING VALUE

Operations and Financial Review

	FY 2021	FY 2022	**FY 2023**
INCOME STATEMENT (US$'million)			
Revenue	4,349	5,429	**4,124**
Operating margin	225.1	300.9	**201.1**
Profit after tax	80.2	113.6	**40.6**
Earnings per share (US cents per share)	5.34	7.57	**2.70**
BALANCE SHEET (US$'million)			
Long-term investments	449	447	**491**
Working capital	493	766	**555**
Total investments	942	1,213	**1,046**
Equity	684	775	**786**
Gross debt	*430*	*541*	***392***
Cash	*172*	*103*	***132***
Net debt (Gross debt less Cash)	258	438	**260**
Total capital	942	1,213	**1,046**
Gross debt to equity	0.63	0.70	**0.50**
Net debt to equity	0.38	0.57	**0.33**
Net asset value per share (US cents per share)	45.09	51.30	**52.23**
SEGMENTAL PERFORMANCE			
Sales volume (MT'000)			
Bulk	3,037	3,124	**3,156**
Consumer Pack	1,082	1,169	**1,179**
Total	4,119	4,293	**4,335**
Operating margin (US$'million)			
Bulk	150.4	215.9	**101.4**
Consumer Pack	74.7	85.0	**99.7**
Total	225.1	300.9	**201.1**
Operating margin per MT (US$)			
Bulk	49.5	69.1	**32.1**
Consumer Pack	69.0	72.7	**84.6**
Total	54.6	70.1	**46.4**

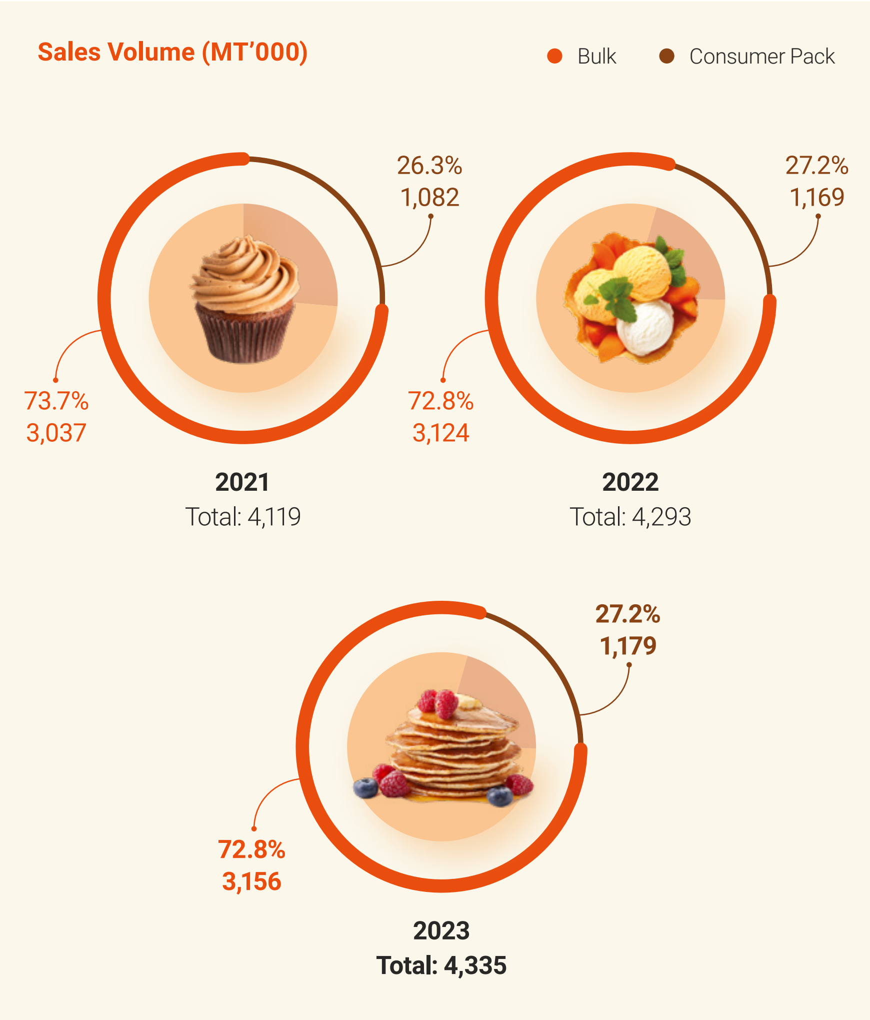


PALM OIL INDUSTRY IN 2023

For the full year, the average CPO prices stood at RM3,842 per tonne, compared to RM5,137 per tonne last year. The prices peaked at RM4,343 per tonne in March 2023, dropped to their lowest at RM3,298 per tonne by May 2023, and subsequently settled at RM3,623 per tonne at the year's end. Palm oil prices followed a more moderate trajectory compared to the previous year, influenced by factors such as ample supplies of competing vegetable oils and the reopening of the Black Sea route. The fluctuation in CPO prices during this period was influenced by multifaceted factors, including demand-supply dynamics, weather patterns, inflation expectations, and the prices of competing vegetable oils.

GROUP'S SALES VOLUME

The Group's sales volume increased by 1.0% to 4,334,600 MT. The Bulk segment accounted for 72.8% of this total, registering a 1.0% increase to 3,155,700 MT. Meanwhile, the Consumer Pack segment comprised 27.2% of the total sales volume, registering a 0.9% increase to 1,178,900 MT.



Operations and Financial Review

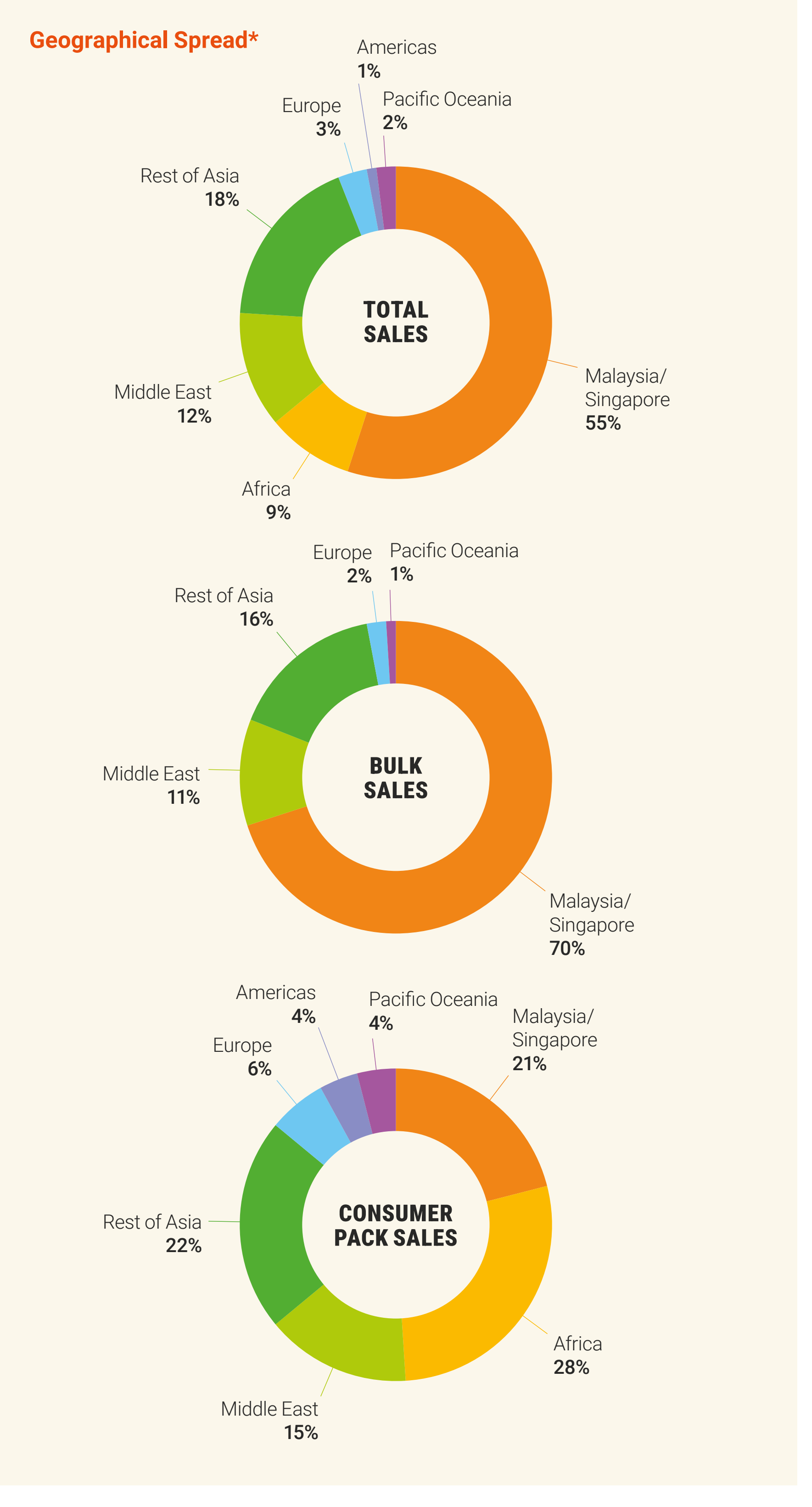
WELL DIVERSIFIED SALES REVENUE

The Group reported sales revenue of US$4,123.8 million, marking a decrease of 24.0% compared to last year. This decline was primarily due to selling prices being 24.8% lower, which was partially offset by a 1.0% increase in sales volume.

The Bulk segment accounted for 70.0% of the total revenue, amounting to US$2,886.8 million, and registered a decrease of 28.3% from last year. Meanwhile, the Consumer Pack segment contributed 30.0% of the total revenue, at US$1,237.0 million, and registered a decrease of 11.7% from last year.

Our sales continue to be diversified globally, with our products being sold in over 140 countries in year 2023. A significant 45%* of total sales were destination sales to customers in countries other than Malaysia and Singapore. These destination sales remained varied, with contributions from the Rest of Asia, Africa, the Middle East, and the Rest of the World at 18%, 9%, 12%, and 6% respectively.

For the Bulk segment, 30% of the total sales were to destination markets, with the Rest of Asia, the Middle East, and the Rest of the World contributing 16%, 11%, and 3% respectively. Destination sales for the Consumer Pack segment accounted for 79% of its total sales, showing well diversity with Africa, the Rest of Asia, the Middle East, Europe, and the Rest of the World contributing 28%, 22%, 15%, 6% and 8%, respectively.



* Based on billing addresses of the customers

OPERATING MARGINS

The Group has developed a large integrated food and agri-business model over the last seven decades by investing in both the midstream and downstream segments of the value chain within the attractive vegetable oil industry. Our economies of scale provide us with inherent operational flexibility. Over these years, we have developed sound risk management practices, enhanced our logistics and global distribution capabilities, and established our own consumer pack brands such as MOI and OKI. All these efforts have helped us deliver robust operating margins during normal industry conditions and resilient margins during tough economic cycles.

The Group measures and tracks performance in terms of Operating Margin per MT of sales volume and the resultant total operating margin (**"OM"**). OM calculated as revenue, less cost of sales (excluding depreciation), selling and distribution expenses, allowance for/(reversal of) expected credit losses and foreign exchange gains/(losses).

For the full year, the Group achieved total operating margin of US$201.1 million, a decrease of 33.2% compared to the high base of last year. On a per MT basis the operating margin was US$46.4 for the full year compared to US$70.1 last year.

In FY 2023, the Group achieved 1.0% increase in total volumes, reaching 4,334,600 MT. However, the full year revenue declined by 24.0% primarily attributable to the prevailing lower selling prices. After the previous three successive years of solid annual financial results, the Group has reported this year a comparatively lower net profit attributable to equity holders of US$40.6 million for the full year, which is a 64.3% decrease from the historically highest profit reported in the previous year. However, considering the prevailing macroeconomic uncertainties the Group is satisfied with the performance this year. The Company is thankful for the dedication and commitment of its employees together with the support of its customers, suppliers and all other stakeholders.

The Bulk segment saw a healthy 1.0% increase in sales volume for FY 2023. Nevertheless, operating margins contracted by 53.0% y-o-y, primarily influenced by the high base effect from the previous year. Conversely, the Consumer Pack segment continued its strong operational performance. Its operating margin for FY 2023 improved by 17.3% compared to the previous year.

Bulk and Consumer Pack segments contributed 50.4% and 49.6% of total operating margin respectively.

Total	FY 2022	**FY 2023**	Change %
Sales volume (MT'000)	4,293	**4,335**	1.0%
OM per MT (US$)	70.1	**46.4**	-33.8%
Operating margin (US$'million)	300.9	**201.1**	-33.2%

Bulk	FY 2022	**FY 2023**	Change %
Sales volume (MT'000)	3,124	**3,156**	1.0%
OM per MT (US$)	69.1	**32.1**	-53.5%
Operating margin (US$'million)	215.9	**101.4**	-53.0%

Consumer Pack	FY 2022	**FY 2023**	Change %
Sales volume (MT'000)	1,169	**1,179**	0.9%
OM per MT (US$)	72.7	**84.6**	16.4%
Operating margin (US$'million)	85.0	**99.7**	17.3%

Operations and Financial Review

STRONG BALANCE SHEET

We actively manage our capital structure by maintaining a prudent debt-to-equity ratio. To fund our long-term investments and working capital, we maintain a healthy combination of (i) equity (ii) long-term debt and (iii) short-term debt.

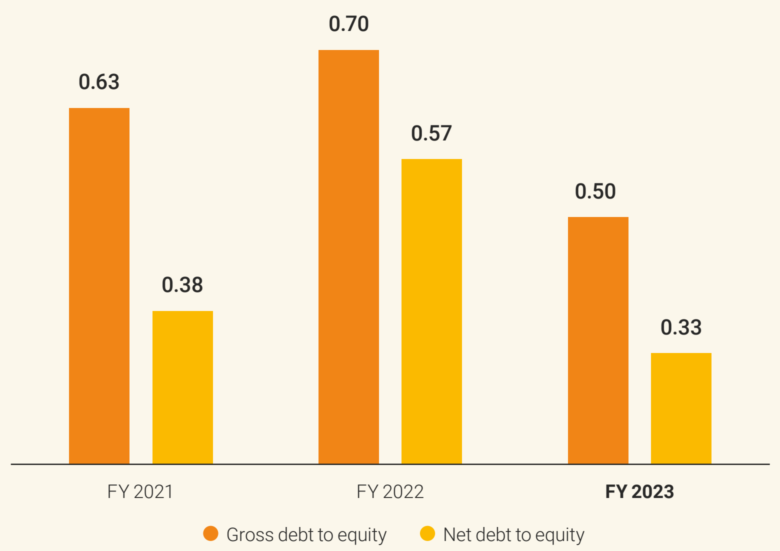
As of 31 Dec 2023, we had a gross debt-to-equity ratio of 0.50 and a net debt-to-equity ratio of 0.33. Our low net debt-to-equity ratio, well below our target limit of 1.5, gives us enough scope to raise more debt to support our growth plans or utilise additional trade finance due to business requirements.

The Group's total equity, amounting to US$786.5 million as of 31 Dec 2023, has further reinforced its balance sheet. Our long-term investments of US$490.7 million have been very conservatively funded, with 78.9% by equity and 21.1% by long-term debt, respectively. Working capital of US$555.5 million was funded by current net debt at only 28.1%, with the remaining 71.9% funded by equity. The Board of Directors regularly reviews the Group's capital structure and our long-term-to-short-term debt mix to ensure they are appropriate in alignment with our long-term objectives

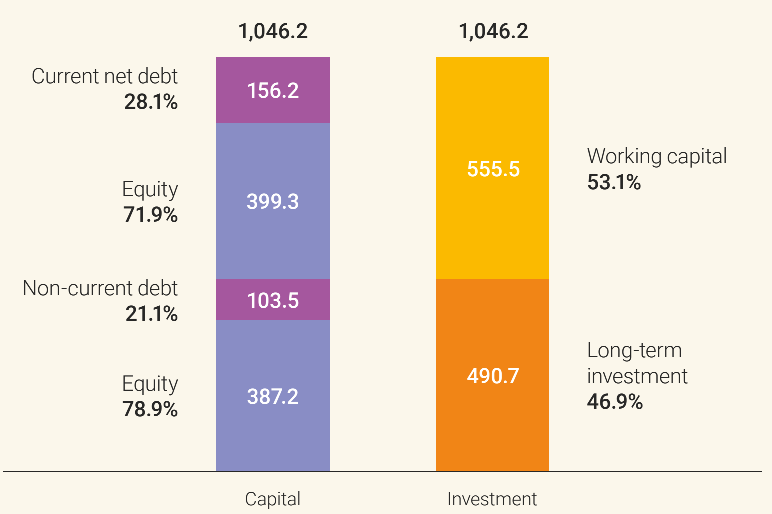
We continue to maintain adequate working capital credit lines to support our business. As of year-end, the utilisation of our total such credit lines was at 40.6%.

The Group achieved the highest ever cash flows from operations of US$314.8 million, after working capital changes, significantly arising from lower prevailing commodity prices compared to previous year. The Group's cycle time was at 58 days compared to 57 days in 2022 due to higher inventories days.

Debt to Equity and Net Debt to Equity



Balance Sheet (US$'mil)



Forward Looking Strategy

As a global food and agri-business, we have demonstrated the resilience of our business model over the past seven decades. Our integrated supply chain, spanning from midstream to downstream in the edible oils and fats business, encompasses large-scale integrated manufacturing facilities spread out across Malaysia, Singapore and Indonesia, as well as global distribution capabilities and a wide range of consumer products. With our strategic presence within this part of the end-to-end value chain, we efficiently satisfy the needs of both our customers and suppliers.

In terms of our global consumer products business, we remain dedicated to expanding our product range, cross-offering specialised applications and customer solutions. We continue to build a strong platform to deliver long-term value by investing in manufacturing facilities within or adjacent to our value chain and adding new products to our portfolio.

We are actively expanding our footprint and strengthening our presence in Indonesia. We acquired a small plantation and milling plant in Indonesia in the year 2018, followed by the acquisition of a majority shareholding in a vegetable oil refinery and packing plant in 2021 under a joint venture arrangement. We acquired a second milling plant in Indonesia in the year 2022, followed by a third milling plant in Riau, Indonesia in the year 2023. These acquisitions have enhanced our access to the supply of vegetable oil from Indonesia and have further consolidated our position as an integrated vegetable oils and fats business. We are making steady progress in the construction of our greenfield edible oil refinery in Indonesia, which is targeted to be completed by 2024.

Our in-house R & D facilities enable us to develop and offer specialised applications and customer solutions for different industries such as food ingredients, infant nutrition, special functional oil, bakery fats and confectionery fats businesses.

Our dairy-based products manufacturing facility in Malaysia has facilitated significant marketing and distribution synergies within our Consumer Pack segment. Our tin-can-making facility has minimised the lead times from order to delivery and expanded our flexibility to meet our customer packaging requirements.

Our investment in a bioenergy plant adjacent to our Westport refinery in Malaysia has enabled us to expand our presence in bioenergy sector. We have since doubled the capacity of our bioenergy plant and we believe biodiesel will continue to be an important catalyst for the industry.

Global Food and Agri-Business

1. Consolidate the position in vegetable oils and fats business
2. Specialised applications & customer solutions
3. Expand range of consumer products
4. Grow bioenergy sector
5. Broaden and deepen marketing and distribution network

Acquired third milling plant in Riau, Indonesia on 3 April 2023.

We market and distribute a range of other FMCG products such as rice, cashew, food premixes and soap to more than 100 countries through a well-established global sales and distribution network, supported by our wide range of brands including our flagship brands OKI and MOI brands. We will continue to explore more consumer products that can be sold as a basket of products to our existing and prospective customers.

We remain continuously focused on our cost savings and sustainability efforts. We had earlier commissioned two gas turbine co-generation plants in our Malaysia refineries that contribute to cost efficiencies and a greener climate. Given the close links between the environment and human health, livelihoods, water and food security, we strive to implement key sustainability efforts, including environmental protection, conservation and sustainable management, at all levels of our operations.

The United Nations predicts that the global population will reach 9.7 billion[1] in 2050 with significant variations in population growth rates among different regions.

In the coming years, sub-Saharan Africa is projected to experience the most substantial growth, with its population expected to nearly double from 1.1 billion to 2.1 billion[2]. Meanwhile, Central and Southern Asia are expected to see a significant increase in population, from 2.1 billion in 2022 to 2.6 billion in 2050[3]. These growth in population presents a sustainable opportunity for agri-businesses, particularly in the medium to long-term. In the immediate future, we expect macro, geopolitical and climate volatility to continue. Our large-scale integrated production facilities in Malaysia, expanding presence in Indonesia, established brands and widespread global supply chain network will enable the Group to continue to drive growth and success.

Our focus on expanding our integrated food and agri business strategy through demand-driven opportunities remains steadfast and we will continue to explore both organic and inorganic opportunities to achieve this goal. We remain committed to increasing our customer penetration across the globe by maintaining our manufacturing presence in critical geographies, supported by our marketing and distribution subsidiaries across key markets.

1 https://www.un.org/en/global-issues/population
2 https://desapublications.un.org/file/989/download
3 https://desapublications.un.org/file/989/download

Research & Development

Fats and oils are an important category in the global food industry serving multifaceted roles. Beyond their nutritional value and vitamins content, they also play crucial functional roles in an extensive array of products such as enhancing the texture and flavor as well as imparting desirable aesthetical properties and sensory experiences.

Mewah is dedicated to creating innovative solutions that benefit communities, industries and the environment. Our focus is on leveraging scientific knowledge and technological advancements to meet customer demands and expectations while prioritising continuous improvement in nutritional profiles for consumer well-being, enhance the functionality of fat as a versatile food ingredient, and ensure food sustainability.

External factors such as geopolitical conflicts, natural disasters and climate change have disrupted commodity market, leading to imbalances between demand and supply. This has resulted in increased prices for commodities like cocoa butter and increased demand for alternative products like specialty fats.

Specialty fats are often formulated to exhibit specific functional properties, such as improved stability, superior texture and mouthfeel, and melting characteristics. These properties make them desirable ingredients in various food applications and offer a viable solution to the food sustainability challenge. At Mewah, our focus lies particularly on specialty fats for bakery and confectionery.

In the bakery segment, our product range extends beyond traditional offerings like Margarine, Pastry Margarine, Shortening, Butter oil Substitute, Milkfat Blend, Fat Spread, Pan Releasing agent. Our dedicated team has innovated a series of butter blend products that serve as a premium alternative to pure butter. These blend products not only meet consumer demands for taste, quality, and functionality but also align with evolving trends in health and sustainability.

For confectionery fats, we offer a wide range of options to meet various needs, such as cocoa butter substitutes, cocoa butter replacers, cocoa butter equivalents, chocolate spreads fats, bake stables fats and low saturated filling fats. These products are meticulously developed to provide diverse range of options to fulfil the preference of confectionery markets, while adhering to regulatory standards and industry guidelines.

Other than specialty fats, our R&D efforts extends to frying oils and fats. We seek to lengthen the frying strength of oils, taking into account factors such as stability, flavour, health profile, and sustainability.

Mewah's R&D lab facilities play a critical role in spearheading innovation, product development, and advancing scientific breakthroughs. These facilities are equipped with state-of-the-art equipment, skilled personnel, and specialised infrastructure to support research activities in the food industry. Our state-of-the art equipment enables rigorous experimentation and analysis, driving continuous innovation and ensuring the highest standard of product quality. Pilot plants serves as crucial testing grounds, bridging the gap between laboratory-scale experimentation and full-scale production. They enable the testing and optimisation of new processes and formulations. On the other hand, application labs serve as collaborative hubs where our R&D Technologists work closely with customers tailor products to their specific needs and market demand. This collaborative approach fosters strong partnerships and enhances customer satisfaction.

Sensory facilities are instrumental in understanding consumer preferences through evaluations, guiding product refinement and ensuring market acceptance. Together, these facilities streamline development, ensure quality, and deliver tailored solutions, ultimately enhancing customer experience and competitiveness in the dynamic food market.

At Mewah, our unwavering dedication lies in prioritising our customers in all aspects of our operations. Our steadfast commitment propels us to deliver cost-effective, top-tier solutions driven by our fervor for research and development, innovative product offerings, and exemplary manufacturing practices. We are committed to set industry standards, champion innovation that promotes development and growth. This mission will always remain at the core of all our endeavours.

Risk Management

OVERVIEW

Effective risk management is crucial for the success of any business. Our Group's risk and control framework is specifically designed to provide reasonable assurance ensuring that business objectives are achieved through the implementation of management controls into daily operations. This approach promotes efficiency, effectiveness, and asset safeguarding while ensuring compliance with legal and regulatory requirements.

Our management team is responsible for identifying critical business risks and implementing suitable risk management procedures to mitigate these risks. To reflect changes in market conditions and Group activities, we periodically review and update our risk management and control procedures. The Group takes a balanced approach to risk management, acknowledging that not all risks can be eliminated. In order to maximise returns, we carefully evaluate and select only appropriate risks that are well-considered.

RISK GOVERNANCE STRUCTURE

Our risk management activities are governed by our risk management system that is designed to manage various risks encountered in our operations and minimise the adverse effects from the unpredictability of risks in our operating and financial performance.

Our system comprises of processes and policies designed to address risks such as commodity prices, foreign currency exchange rates, counterparty & credit defaults, and interest rates.

Overall Governance Framework

The on-going compliance of these risk management processes and policies are carried out by the Heads of the respective operating units, but exposure limits are centrally set and monitored, thus, operating under a global governance framework.

Independent Risk Function

Overall responsibility to monitor and assess risk lies with the independent risk function headquartered at our Singapore Corporate office. Head of Risk Management, who reports directly to the Chief Executive Officer is a key member of the Executive Risk Management Team and works proactively with the trading teams to analyse changing market conditions and ensure that hedging strategies are focused on current market dynamics.

Risk Management Department

The Risk Department reports to the Head of Risk Management and is responsible for identifying, assessing, monitoring, and improving the overall effectiveness of our risk management system, the review and setting of trade positions, and limits to manage our overall risk exposure.

SETTING OF RISK LIMITS

The Executive Risk Management Team establishes and reviews periodically our overall risk tolerance thresholds, measured in terms of VAR, a statistical risk measure. The team is responsible for overall systems, procedures and processes for risk management. Such risk tolerance threshold is based on a percentage of total shareholders' funds after taking into account, among other things, the Executive Risk Management Team's view on the overall production capacity of refining and processing operations, the market in which trading activities take place, the price (and price trend) of raw materials, track record of management in managing its risk exposures in the prior period and financial budgets including projected sales volume and turnover. The risk tolerance threshold is also based on the counterparty's background, financial performance, and management team. The risk tolerance threshold refers to the maximum potential loss if all trading and operations across all products and geographical regions materialise at the same time. Such threshold limits are approved by our Board Audit Committee who also periodically reviews and discusses the historical actuals thereagainst.

Regular Meetings and Assessment

The Risk Department monitors and assesses risks on a regular basis and holds periodical meetings with our marketing and operations teams. The Risk Department has the authority to make temporary increases or changes to risk limits, but such increases or changes must always remain within our overall risk management guidelines and framework of the Group. Our flat corporate governance structure with short and direct channels of communication and control enables efficient monitoring and execution.

Approval Process

Where the execution of any activity will result in the breach of any applicable limits in our risk management guidelines and framework, specific approval for that activity must be sought and obtained from the Executive Risk Management Team prior to the execution of the activity.

Reporting Mechanism

Any risk-related issues which are outside the scope of our risk management guidelines and framework are reported to the Team consisting of our Chairman, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Head of Risk Management (the **"Executive Risk Management Team"**).

The following provides an overview of the key risks encountered by Group, detailing their nature, extent of exposure to the Group, and the mitigating measures in place aimed at effectively managing these risks.

Description of Risks Encountered by the Group	Risk Mitigation Strategies at Mewah
Commodity Price Risk • Commodity prices fluctuate for many reasons, such as changes in resource availability, production cost, demand for competing commodities and substitutes, sovereign policies and regulation, global and regional economic conditions, global and regional weather conditions, natural disasters, and diseases etc., all of which impact global markets and demand for our commodities. • Furthermore, changes in such supply and demand conditions impact the expected future prices of each commodity. Our Group is predominantly exposed to volatility in vegetable oil market prices.	• To ensure consistency in our manufacturing production, we enter forward crude palm oil (**"CPO"**) purchase contracts in addition to maintaining CPO inventories. • Similarly, to meet our customer's requirement, we enter into forward sale contracts with them. The sale and purchase commitments for commodities we deal in may not typically match at the end of each business day, resulting in timing differences. • The Group uses derivative instruments, predominantly exchange traded futures for the purpose of managing exposures associated with commodity prices. The derivative instruments that we use for hedging purposes are intended to reduce the volatility in our operations. While these derivative instruments are subject to fluctuations in value, those fluctuations are generally offset for the hedged exposures by the changes in fair value of the underlying exposures. Despite such hedging, we remain exposed to basis risk. • We have established policies that limit the amount of permissible unhedged fixed price commodity positions, which are generally a combination of volumetric and Value-At-Risk (**"VAR"**) limits.

Risk Management

Description of Risks Encountered by the Group	Risk Mitigation Strategies at Mewah
	• However, as our major portion of inventories are valued at cost or net realisable value whichever is lower, no compensating fair value gain get recognised in our reported financial statements for inventories. Our net commodity position consists of our inventory of raw material and finished goods, forward purchase and sale contracts, and associated derivative instruments. The fair value of this position is a summation of the fair values calculated by valuing all our positions at quoted market prices for the period where available or utilising a close proxy. VAR is calculated on the net position and monitored at the 95% confidence interval. • The Group has been consistently working to actively manage and mitigate this inherent risk by systematic diversification of our product portfolio such as by increasing the sales volumes of consumer pack segment and value-added products.
Foreign Exchange Risk • The Group's functional and reporting currency is US Dollars (**"USD"**). Our key origin's exports are denominated in USD. The majority of our expenses and domestic sales are denominated in the respective subsidiary's local currency. The primary currencies we are exposed to directly or indirectly are Malaysian Ringgit, Euro, Singapore Dollar, Indonesian Rupiah, Australian Dollar and Chinese Yuan.	• For hedging our foreign exchange risk, we enter into currency forwards with reputed financial institutions along with structuring natural hedge to the extent possible. • As our consolidated financial statements are prepared in USD, this requires many of our subsidiaries financial statements to be translated from their respective local currency to the Group's reporting currency USD. The fluctuations in the currency exchange rates due to this translation process also leads to foreign exchange gains or losses recognised in our reported financial statements.
Counterparty and Credit Risk • We are subject to counterparty and credit risks that arise through our sale contracts and purchase transactions.	• The Group actively monitors credit and counterparty risks through regular reviews of exposures and credit analysis by the Risk Department and Treasury team. The limits are approved by the Risk Department after due analysis of the party and with consideration of Group's risk appetite as well as the size of relevant transactions in comparison to Group's Balance Sheet. • While fixing credit limit for a customer, besides considering their financial position and operating history, we also perform a market background check. • As a practice, we do not grant open credit to new customers. Existing credit limits are periodically reviewed after considering their payment records, transaction sizes, and the lengths of our relationship, besides prevailing market conditions. • The Operating teams take their compliance obligations regarding international sanctions extremely seriously with support from the Controller, Legal and Treasury Departments.
Interest Rate Risk • A major portion of our borrowings are from short-term trade finance banking facilities. These are used to fund our operations. • We also borrow term loans from banks. Such term loans are taken for funding our long-term investments.	• These short-term facilities are generally linked to the prevailing interest rates. Our marketers budget these interest expenses into their product pricing, basis their forecasted cash conversion cycle. As these are short- term financing facilities, typically the cash conversion cycle is also aligned, helping us to manage such interest rate risks. • Our long-term assets are substantially funded by equity, but we do avail ourselves of long-term loans from banks as part of our overall liquidity management strategy. We manage these term loans through our Group's capital management strategy.

Audit Committee

- Chaired by Audit Committee Chairman
- Review overall risk management guidelines/ frameworks/ policies and systems
- Review/ recommend and approve risk limits

Internal Audit

- Headed by the Group's Head of Internal Audit
- Assess risks and controls for operations continuity, health & safety, cybersecurity & IT, stocks and quality, and monitoring overall compliance to the systems and procedures implemented in the Group
- Submit report to the Audit Committee with actions plans to strengthen control

Executive Risk Management Team

- Comprises Chairman, CEO, COO, CFO & Head of Risk Management
- Monitor and improve overall risk management system
- Ensure compliance with trading policies and limits

Risk Department

- Monitor respective risks
- Ensure compliance with trading policies and limits

REPORTING AND REVIEWING STRUCTURE

Our Risk Department is responsible for the capture and measurement of Group-wide risk and ensuring compliance with our risk management system, procedures and processes. The Risk Department analyses and reviews our risk exposure with oversight from the Executive Risk Management Team. With respect to risks related to the use of derivative financial instruments, once limits for derivatives positions have been established by our Executive Risk Management Team, our Risk Management Department monitors our trading activities to ensure compliance within these limits.

On a case-by-case basis, the Risk Department may recommend to the Executive Risk Management Team amending established limits. If approved by the Executive Risk Management Team, the revised limits are implemented and monitored by the Risk Department. If the revised limits exceed the Audit Committee approved thresholds, then such revised limits will be effective only with due approval from the Audit Committee. Any breach (whether of trading limits or non-adherence to established policies), disclosed or revealed by the Risk Department will be acted upon by the Executive Risk Management Team considers the breach to be significant (whether in terms of financial impact or otherwise), the Executive Risk Management Team will report it to the Audit Committee.

Our Internal Audit Department supports in assessing risks and controls for the areas such as operations continuity, health and safety, cybersecurity and IT, stocks and quality, and in monitoring overall compliance to the systems and procedures implemented in the Group. Results of these activities are reported to the Audit Committee by the Group's Head of Internal Audit, accompanied by action plans to strengthen control and further mitigate risks wherever required. Our Audit Committee regularly reviews our internal control systems, internal audit reports, and risk tolerance threshold limits including meeting our internal and external auditors without the presence of the management.

SECURING THE FUTURE BY EMBRACING SUSTAINABILITY

Corporate Social Responsibility & Sustainability

In a world grappling with significant challenges, our unwavering commitment to Corporate Social Responsibility (**"CSR"**) and Sustainability shines as a beacon of hope and resilience. As a palm oil refiner, we understand the importance of transformation towards sustainability, not only as a moral obligation but also as a critical business strategy. We recognise the intricate web of connections in which we operate, acknowledging the profound impacts of our actions on the environment, local communities, and global society.

Sustainability is not merely a passing trend for us. It forms the foundation of our operations, ensuring they are economically viable, socially equitable, and environmentally responsible. Embracing this ethos, Mewah has taken concrete steps such as measuring Scope 3 greenhouse gas (**"GHG"**) emissions, addressing our carbon footprint, and charting a path towards decarbonisation. We are transitioning from reliance on non-renewable sources like fossil fuels to embracing greener alternatives like biomass, solar energy, and natural gas. Our dedicated Strategic Sustainability Committee (**"SSC"**), led by the Deputy Chairperson & CEO and comprising senior leaders from major business segments, steers our decarbonisation efforts with their expertise.

MILESTONES IN ADVANCING HUMAN DEVELOPMENT: THE ASEAN HUMAN DEVELOPMENT AWARD

In 2023, we were honoured to receive international recognition for our steadfast dedication to sustainable business practices and social responsibility. The ASEAN Human Development Award acknowledges Mewah's approach to human development across all facets of our operations. Presented by HRM Asia and the ASEAN Human Development Organization (**"AHDO"**), this accolade celebrates our proactive efforts aimed at prioritising and enriching the well-being of our employees, local communities, and society. This recognition serves as a humble testament to our unwavering dedication to creating a positive and lasting impact.

ALIGNING WITH GLOBAL ASPIRATIONS: THE SDGs AND ESG METRICS

Our dedication to sustainability is an ongoing pledge to ethical business practices that foster a positive and enduring impact on our global community. Aligned with international aspirations, our sustainability initiatives actively contribute to achieving the 17 Sustainable Development Goals (**"SDGs"**). From responsible production practices to community engagement, we address various dimensions of sustainable development. We firmly believe that our five focus areas and the contributing 19 core areas outlined in our Sustainability framework reinforce our commitment to the SDGs.

Furthermore, we have embraced the GRI framework, TCFD recommendations, and SGX's 27 core ESG metrics to guide us in measuring our risks and opportunities, enhancing future returns, mitigate risks, fortifying our brand reputation, and contribute to the long-term well-being of the communities in which we operate.

Corporate Social Responsibility & Sustainability

FOCUS AREA 1: ENVIRONMENTAL PROTECTION & STEWARDSHIP

I Environmental Protection and Stewardship

- Carbon Management
- Water Management
- Waste Management
- Biodiversity Management
- Fire Management
- Pest Management

II Responsible Supply Chain

- Sustainable Palm Oil Policy
- Towards Full Traceability
- Stakeholder Engagement
- Grievance Mechanism

III Product Quality and Safety

- Our Commitment to Customers
- Quality Management System
- Quality & Sustainability Certification

IV Valuing Our People

- Labour Policy & Code of Ethics
- Training & Development
- Safety, Health & Well-being

V Community Support

- Active Volunteerism of Our Employee
- Supporting the Next Generation
- Disaster Relief

At Mewah, environmental responsibility is not just a pledge, it serves as the cornerstone of our long-term sustainability initiatives. As we continue to grow, we remain steadfastly committed to minimising our environmental footprint through impactful and innovative initiatives.

Our commitment is aligned with SDGs 6, 7, 11, and 13, focusing on sustainable energy utilisation, combating climate change, and the establishment of sustainable communities. We actively foster collaboration across our entire supply chain. By working with our partners, we reduce the climate impact of our raw materials processing, from farm to final product. We believe that working together is crucial for achieving lasting change. Therefore, we partner with governments, NGOs, and local communities to share best practices and drive collective action towards a more sustainable future.

Our Key Sustainability Efforts: We make investments in providing infrastructure development and amenities such as bore well and providing clean drinking water for our employees and local. We work to ensure everyone within and in the surrounding of our business operation has access to clean water and safely managed sanitation services.

Our Key Sustainability Efforts: We have put in place renewable energy resources in our major refineries as clean energy initiative to improve the use of renewable energy sources and reduce greenhouse gas emissions.

Our Key Sustainability Efforts: We are committed to promoting a circular economy in all our manufacturing sites to help minimise the environmental impact from our operations.

Our Key Sustainability Efforts: We have stringent monitoring against every aspect of our operations, which include GHG emission, efficient use of water, waste generation, fire, and peat management to minimise environmental impacts that are detrimental to the planet and people's health.

<u>Our environmental focus encompasses six critical areas:</u>

1. **Carbon Management:** Our proactive approach to carbon management involves the widespread adoption of renewable energy sources such as solar and biomass, replacing fossil fuels wherever possible. This strategy helps us lower our carbon footprint and also contributes to a reduced environmental impact.

   Moreover, we are investing in energy-efficient technologies across our operations, from palm oil mills to processing facilities. Through the optimisation of our energy consumption, we can significantly reduce our GHG emissions without compromising operational productivity.

   Central to our commitment is the systematic monitoring and assessment of our progress towards sustainability objectives. In pursuit of this objective, we adhere to internationally recognised GHG accounting standard, notably the GHG Protocol, ensuring accuracy and reliability in our GHG emissions measurements.

2. **Water Management:** Effective water management is crucial for both our operations and the communities in which we operate. Therefore, we conduct comprehensive water footprint assessments to meticulously map and regulate our freshwater usage. These assessments help us to ensure clean water access for both our internal processes and the surrounding communities. Our commitment to water conservation is translated into actionable initiatives as follow:

   a) Proactive Risk Management: We consistently assess water-related impacts and risks across our entire supply chain, proactively identifying potential challenges and opportunities for enhancement.

   b) Targeting Efficiency: We actively identify areas within our factories where water usage can be optimised and establish measurable targets to reduce freshwater consumption. This targeted approach ensures that our efforts are focused on areas with the most significant potential for impact.

   c) Continuous Enhancement: We remain steadfast in our commitment to ongoing conservation efforts, including implementing water-saving technologies and practices throughout our factories. Through a continuous pursuit of improvement, we strive to maximise our contribution to water sustainability.

3. **Waste Management:** At Mewah, our commitment to sustainable waste management is encapsulated in our 5R action plan: Refuse, Reduce, Reuse, Recover, and Recycle. This comprehensive approach is designed to minimise waste generation and foster a circular economy.

Corporate Social Responsibility & Sustainability

a. Refuse: We say NO to unnecessary materials and actively seek reusable alternatives. This eliminates waste from the very beginning, reducing our environmental footprint.
b. Reduce: We focus on enhancing efficiency by implementing practices aimed at minimising waste generation. This ensures responsible resource utilisation and environmental stewardship.
c. Reuse: We actively extend the lifespan of materials by reusing them in their original form, diverting them from landfills. These materials are either utilised for their initial purpose or repurposed for alternative applications.
d. Recover: We establish methods to recover the energy value contained within waste materials. This can involve thermal or bio-based processes, creating sustainable energy sources.
e. Recycle: We recycle a wide range of materials we use daily. This process transforms old items into new products, reducing reliance on virgin resources and conserving energy.

4. **Biodiversity Management:** Mewah holds a steadfast commitment to forest conservation and biodiversity protection. We adhere to High Carbon Stock (**"HCS"**) and High Conservation Value (**"HCV"**) standards, ensuring the implementation of responsible land management practices.

This includes:
- Maintaining & Restoring Riparian Buffer Zones: Preserving and restoring natural vegetation along waterways, safeguarding water quality and preserving crucial wildlife habitats.
- Collaborating on Landscape-Level Conservation: We collaborate with external organisations to conserve larger ecological areas beyond our own concessions.
- Identifying and Conserving HCV and HCS Areas: Through landscape approaches, we work with communities to identify and protect valuable ecosystems extending beyond our immediate operations.

5. **Fire Management:** Safety remains our top priority at Mewah. We uphold stringent fire safety protocols and conduct regular awareness training sessions to foster a secure and healthy work environment for all.

In adherence to the ASEAN Zero Burning Policy, we are committed to employing environmentally conscious fire prevention methods. This means strictly prohibiting traditional slash-and-burn practices throughout our operations.

One of our Indonesian Subsidiaries, PT Jambi Batanghari Plantation (**"PT JBP"**) actively monitors for fire hotspots and implements several physical precautions:

- Fire Watchtowers: These structures provide a strategic vantage point for early detection and response to potential fire incidents.
- Portable Fire Pumps: Immediate access to water is ensured for suppression efforts, facilitating swift and effective action in the event of a fire outbreak.
- Water Conservation: Responsible water management practices are integral to supporting our firefighting capabilities while also promoting sustainability.
- Fire Patrols During the Dry Season: Heightened vigilance is maintained during periods of heightened fire risk, enabling proactive measures to mitigate potential hazards.

6. **Integrated Pest Management:** While traditional agrochemicals have historically played a role in protecting our crops and yields, we are committed to minimising their usage. This commitment drives our prioritisation of Integrated Pest Management (**"IPM"**), a strategy that emphasises natural and biological methods for pest control.

   Through the implementation of IPM, we cultivate a thriving ecosystem within our plantations that naturally regulates pest populations. This approach significantly reduces the necessity for chemical intervention, yielding several noteworthy benefits:

   - Reduced Reliance on Harmful Chemicals: By minimising the usage of conventional pesticides, we safeguard the health and well-being of our workers, neighbour communities, and the broader environment.
   - Promotion of Beneficial Insects: IPM fosters a balanced ecosystem that encourages the presence of natural predators, effectively regulating pest populations in a sustainable manner.
   - Long-Term Sustainability: Embracing IPM principles promotes ecological resilience over long-term, reducing the risk of pests developing resistance to chemical solutions. All chemical applications within our plantations adhere strictly to established Standard Operating Procedures (**"SOPs"**) and management plan in alignment with recommendations and guidelines set forth by the World Health Organisation (**"WHO"**).

FOCUS AREA 2: RESPONSIBLE SUPPLY CHAIN

A. Sustainability Policies

At Mewah, we have established comprehensive sustainability policies governing both palm oil and coconut oil supply chain, embodying our firm commitment to responsible practices throughout our operations.

Mewah's Sustainable Palm Oil Policy is founded on a collaborative approach, aiming to:

1. Build a traceable, transparent, and sustainable supply chain.
2. Commit to no deforestation, no burning, and no development of HCV and HCS areas starting from 31 December 2015.
3. Commit to no new oil palm development on peatland regardless of depth and ensure that best management practices for existing plantations on peat, starting from 31 December 2015.
4. Respect and support internationally recognised human rights, including the rights of all workers, children, and indigenous local communities.
5. Respect the rights of indigenous people and local communities to give or withhold free, prior, and informed consent (**"FPIC"**) where oil palm plantation development occurs.
6. Commit progressively reducing GHG emissions on existing operations.

Mewah's Sustainable Coconut Oil Supply Chain Commitments encompass:

1. Improving smallholder's livelihood and income.
2. Improving productivity.
3. Enhancing supply chain traceability.
4. Reducing deforestation and encroachment.
5. Respect rights of indigenous people and local communities to give or withhold FPIC where coconut plantation development takes place.
6. Respect human rights and ensure the protection of the rights of all workers.

B. Towards Full Traceability

We are actively engaging in tracing the flow of our raw materials supply from refineries back to the palm oil sources, with the aim of mapping our supply base, evaluating supplier performance against our Sustainable Palm Oil Policy, and initiating engagement with suppliers to drive improvements when necessary.

i. Traceable to Mill approach.
   Utilising the Traceable to Mill (**"TTM"**) approach, we ensure that 100% of our Crude Palm Oil (**"CPO"**)

Corporate Social Responsibility & Sustainability

and Crude Plam Kernel Oil (**"CPKO"**) are traceable to their respective mills. This entails meeting five traceability criteria:

1. Parent Company Name of Mill Party
2. Mill Name
3. Mill Address
4. GPS coordinates of Mill Party
5. Volume of CPO received into our refinery

All suppliers must fulfil these five conditions as fundamental entry requirements into our supply chain.

ii. Traceable to Plantation approach

Mewah remained committed to responsible sourcing practices throughout our supply chain. Through our Traceability to Plantation (**"TTP"**) programme, we ensure the ability to trace the origin of our palm oil back to the plantations where it is cultivated. This programme involves rigorous fieldwork, including:

- *Field Assessments:* Mewah conducts thorough assessments of supplier mills, evaluating their Fresh Fruit Bunch (**"FFB"**) supply base and adherence to our Sustainable Palm Oil Policy. These assessments use pre-defined guidelines to ensure responsible practices across the supply chain.
- *Education and Support for Suppliers:* The TTP programme serves as both an educational tool and a collaboration platform. We share best practices and support to our suppliers in implementing sustainable practices in their plantations.
- *Elevation of Sustainability Standards:* Our objective is to elevate sustainability standards throughout our supplier network. Through collaborative efforts, we aim to foster a more responsible and transparent palm oil industry.

Current Traceability Approach:

While the TTP programme offers a deeper level of engagement, we also rely on existing mechanisms for initial traceability, including:

- MPOB Licensing: We verify the availability and validity of Malaysia Palm Oil Board (**"MPOB"**) operating licenses for our FFB suppliers.
- Legal Sourcing: We ensure all FFBs supplied to mills are sourced legally and responsibly.

C. Stakeholder Engagement

We understand that effective communication and engagement are essential drivers of our sustainability journey. We recognise the pivotal role our suppliers play as key stakeholders within our ecosystem, and our commitment extends far beyond mere traceability exercise. We view them as valued partners with whom we engage in meaningful dialogue regarding policy requirements, potential implications, and the business opportunities associated with embracing sustainable practices.

Through collaborative efforts, we aim to address challenges and seize opportunities within the palm oil industry, fostering collective progress. We openly share our Sustainable Palm Oil Policy with our direct suppliers, facilitating clear understanding and alignment of objectives. We believe that investing in our suppliers is an investment in the future of sustainability.

D. Grievance Mechanism

In alignment with our dedication to transparent communication and accountability across our supply chain, we have established a dedicated grievance mechanism. This mechanism welcomes stakeholders, including NGOs and buyers to express their concerns or register complaints related to potential breaches of our Sustainable Palm Oil Policy.

Our grievance mechanism is designed to be user-friendly, ensuring that stakeholders can easily articulate their concerns. The process, from submission to resolution, is clearly elucidated on our Sustainability Dashboard, accessible through our corporate website at www.mewahgroup.com. We are committed to actively share our responses and updates for each grievance case publicly. This practice underscores our commitment to transparency and accountability in all our endeavours.

FOCUS AREA 3: PRODUCT QUALITY & SAFETY

At Mewah, we take pride in our commitment to exceeding customer expectations by consistently delivering high-quality products that go beyond their needs. We achieve this by developing, producing, and marketing products that not only meet but surpass relevant food safety regulations and certification standards.

A. Our Commitment to Customers

We have adopted several initiatives to ensure the high quality and safety of our products:

i. Quality assurance a group-wide objective
ii. Implementing a Hazard Analysis and Critical Control Points (**"HACCP"**) system to identify potential hazards and critical control points in our production processes and sets up preventive measures to eliminate these risks.
iii. Conducting regular food safety and quality training for our employees to enhance the knowledge and skills to identify and manage potential risks.
iv. Establishing and enforcing a supplier quality programme to ensure that raw materials and ingredients used in production meet the required quality and safety standards.
v. Creating and maintaining a clean and hygienic production environment

B. Quality Management System

In all our manufacturing sites, we have implemented a robust Quality Management System aim at continuous improvement in various areas. This includes operations, processes, workforce development, raw material sourcing, transportation and delivery efficiency, prompt and responsive customer service, compliance to laws and regulations and ensuring a safe work environment.

Our Quality Management System Framework serves as a guiding principle, focusing on benchmarking best practices across different manufacturing sites. It also supports the capacity building of our people responsible for product development and innovation strategies.

Additionally, we prioritise setting priorities and goals through our Quality Management Approach Strategy to enable continuous development in our quality assurance functions.

Our QA Newsletter serves as a communication tool to promote transparency, collaboration, and continuous improvement within Mewah's quality assurance processes.

Furthermore, we adhere to a standard operating procedure outlined in our Customer Experience framework, facilitating the process for initiating, receiving, resolving, and maintaining feedback and customer complaints regarding the quality or service of Mewah.

QA Management Approach Strategy

Corporate Social Responsibility & Sustainability

C. Consumer Health & Well-being

We have collaborated with Singapore Health Promotion Board (**"HPB"**) to develop healthier cooking oil with lower saturated fats, and Mewah's cooking oil is tagged with a Healthier Choice symbol approved by HPB is available in all major supermarkets, promoting consumer health and well-being.

D. Quality & Sustainability Certifications

Our certification provide evidence that our product conforms to applicable quality and certification standards. Regular inspections and audits of our factory operations ensure adherence to these standards, assuring our consumers and customers that our products are of high quality, safe and sustainable.

FOCUS AREA 4: VALUING OUR PEOPLE

At Mewah, we hold the health, safety, and well-being of our employees in the highest regard. We believe that a safe and healthy workforce is fundamental to individual happiness, enhanced productivity, and the attainment of our company objectives.

Unwavering Commitment to Safety: We uphold a steadfast commitment to safety, operating under a zero-tolerance policy for unsafe behavior. At every level of our organisation, from top management to frontline workers, we share the collective responsibility for maintaining safety protocols. We believe that workplace accidents are preventable, and as such, we actively promote safe work practices through comprehensive training, regular risk assessments, and continuous improvement initiatives.

Promise to Employees: Our commitment extends beyond physical safety. We strive to cultivate a work environment where employees feel valued, respected, and supported. With this objective in view, we offer a range of resources and programs aimed at enhancing their overall well-being. These include:

- Comprehensive healthcare coverage
- Mental health support programs
- Ergonomic assessments and workplace improvements
- Opportunities for personal and professional development

Returning Home Safe and Sound: At Mewah, we view our employees not merely as workers, but as individuals with unique needs and aspirations. It is our earnest desire that each member of our team leaves work every day feeling secure, healthy, and fulfilled.

Human Rights & Labour Policy: In alignment with our dedication to upholding human rights, fostering a safe and respectful workplace culture, and ensuring ethical labour practices throughout our operations and supply chain, we have established Mewah Group Human Rights & Labour Policy: -

Mewah Group Human Rights & Labour Policy

1. No Forced Labour and Free Choice of Employment
• No forced, bonded (including debt bondage) or indentured labour and slave labour, or human trafficking.
• Ethical recruitment.
2. Non-Discrimination in Employment
• No discrimination against our employees based on race, colour, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status.
• Any employment-related decisions must be based solely on lawful and non-discriminatory criteria.
3. Non-Exploitation of Child Labour and Protection of Children Rights
• No hiring of child labour under any circumstances.
• Protection of children's right and their welfare.
• No working at night or exposure to hazards for young employee between ages of 16-18.
4. Freedom of Association and Collective Bargaining
• Respect our employees' rights to form, join or not to join a trade/ labour union.
5. Compliance of Laws & Regulations in Working Hours, Benefits and Wages
• We commit to adhere to the stricter of applicable laws & regulations, industry standards, relating minimum wages, working hours, overtime, and employee benefits.
• Provide a safe and healthy workplace.
• Continuously developing employee skills and capabilities and providing opportunities for career advancement.

Corporate Social Responsibility & Sustainability

6. Supply Chain Responsibility & Community Engagement
• To identify and address potential human rights risks within our supply chain and will work closely with our suppliers and partners to ensure that they also uphold human rights principles and comply with our requirements.
7. Human Treatment and Uphold Gender Equality
• Protect our employees from any acts of physical, verbal, sexual or psychological harassment, bulling, abuse or threats in the workplace.
• Form of threat and inhuman treatment including – discrimination, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of our employee.
8. Implementation and Continuous Improvement
• Committed to providing ongoing training and awareness programmes for all employees to educate them on their rights.
• Established robust processes and systems to identify potential negative impacts on workers.

Our Performance in 2023

Average Training Hours per Employee

31.9

(2022: 29.6 hours)

ZERO
Fatality
(2022: 0)

ZERO
Recordable Work – Ill Health Cases
(2022: 0)

82
Recordable Work – Related Injuries
(2022: 65)

2.38
Lost Time Injury Rate per 200,000 hours worked (LITR)
(2022: 1.80)

* The figure is based on the total full-time employees where the Group has major shareholding only, subject to operational boundary set/scope of report.

FOCUS AREA 5: COMMUNITY SUPPORT

Our Key Sustainability Efforts:
We commit to fight hunger and eliminate food waste in the communities surrounding our operation. When we stop food waste, we take a big step toward ending hunger. We have put in concerted efforts primarily through community support programmes to instill good habits to reduce food waste. One example, our refinery in Pasir Gudang, Malaysia is working with local authority to recycle food waste from our factory by way of compositing food waste scraps into organic soil nutrients.

Our Key Sustainability Efforts:
Education is an essential catalyst for positive change in society. We support local schools with educational materials as well as provide free tuition for children from underprivileged families. We are endeavour to do our best to enable all children in our communities for an opportunity to access to mainstream education.

Our Key Sustainability Efforts:
The Global Goals can only be met if we work together. Over the years, we built effective partnership with several local non-profit organisation to enable us to reach out more people in need and extend greater impact to the societies.

Our Commitment and Progress:
At Mewah, we are committed to building positive and collaborative relationships with the communities where we operate. This commitment is guided our robust CSR framework, we strive to achieve three fundamental objectives:

1. **Supporting the Next Generation:**
   We believe every child deserves the opportunity to learn, grow, and thrive. With this aim in mind, we focus on enhancing access to inclusive and high-quality education in our neighbouring communities.

   Our initiatives encompass:

   - Support Infrastructure Development by building and enhancing schools and learning facilities.
   - Enhance Learning Experiences through the provision of educational resources and tools for both teachers and students.
   - Empower Future Generations by offering scholarships and facilitating career development opportunities.

2. **Active Volunteerism of Our Employees:**
   We recognise the profound impact each individual can make within their community. Therefore, we encourage and empower our employees to volunteer their time and expertise to address community needs. Through this commitment, we cultivate a culture of social responsibility and forge enduring connections.

3. **Disaster Relief:**
   In times of crisis, we stand in solidarity with our communities, offering immediate relief and support to those affected by natural disasters or other emergencies. Our efforts include:

   - Organising food and essential items drives.
   - Raising funds for reconstruction and recovery endeavours.
   - Volunteering our time and skills to aid recovery efforts.

Making a Tangible Difference:
In 2023, our CSR initiatives have positively impacted the lives of approximately 55,594 individuals. We remain committed to continuous improvement and collaborative action, working hand-in-hand with our communities to collectively build a brighter future for all.

Corporate Information

BOARD OF DIRECTORS
Dr Cheo Tong Choon @ Lee Tong Choon
(Executive Chairman)
Ms Michelle Cheo Hui Ning
(Deputy Chairperson, Executive Director and CEO)
Ms Bianca Cheo Hui Hsin
(Executive Director and COO)
Dr Foo Say Mui (Bill)
(Lead Independent Director)
Mr Robert Loke Tan Cheng
(Independent Director)
Datuk Dr Fawzia Binti Abdullah
(Independent Director)
Tan Sri Dato' A Ghani Bin Othman
(Independent Director)

AUDIT COMMITTEE
Chairman
Mr Robert Loke Tan Cheng

Members
Datuk Dr Fawzia Binti Abdullah
Tan Sri Dato' A Ghani Bin Othman

NOMINATING COMMITTEE
Chairman
Dr Foo Say Mui (Bill)

Members
Mr Robert Loke Tan Cheng
Dr Cheo Tong Choon
@ Lee Tong Choon
Datuk Dr Fawzia Binti Abdullah

REMUNERATION COMMITTEE
Chairman
Dr Foo Say Mui (Bill)

Members
Mr Robert Loke Tan Cheng
Tan Sri Dato' A Ghani Bin Othman

SENIOR MANAGEMENT
Dr Cheo Tong Choon @ Lee Tong Choon
Ms Michelle Cheo Hui Ning
Ms Bianca Cheo Hui Hsin
Mr Rajesh Shroff
Mr Shyam Kumbhat
Mr Cheo Jian Jia
Ms Wong Lai Wan
Ms Agnes Lim Siew Choo
Mr Anil Dashrath Ingrole

COMPANY SECRETARY
Mr Abdul Jabbar Bin Karam Din, LLB

COMPANY REGISTRATION NUMBER
CR-166055

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Cayman Islands

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SINGAPORE SHARE REGISTRAR AGENT
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Partner-in-charge: Ms Rebekah Khan
(Effective from the financial year ended 31 December 2020)

Investor Relations
Email: Ir@mewahgroup.com

Sustainability
Email: groupsustainability@mewahgroup.com

Corporate Governance

Introduction

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

Mewah has adopted the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore dated 6 August 2018 and amended on 11 January 2023 (the **"Code"**) as the benchmark for its corporate governance policies and practices. Mewah is pleased to report for the financial year ended 31 December 2023 (**"FY2023"**), the Company has complied, in all materials aspects, with the principles and provisions set out in the Code. Appropriate reasons have been disclosed for any deviations from any principles and/or provisions.

Mewah's Values

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

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

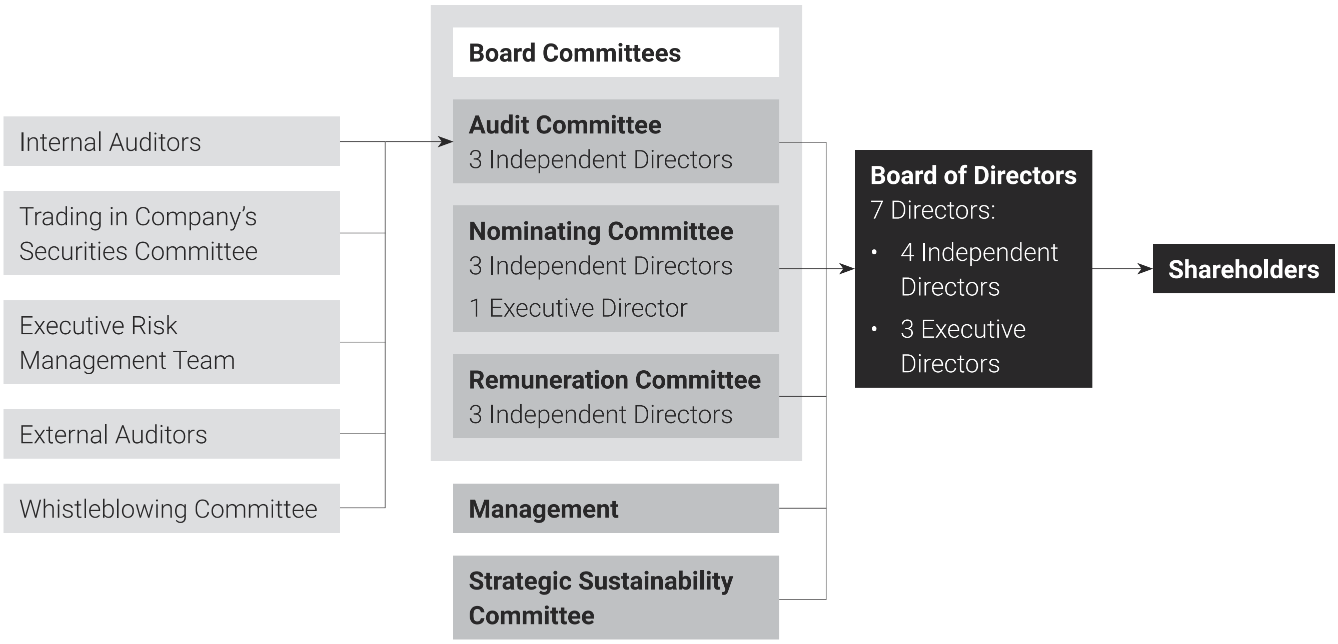
The Board works with the management to ensure that these values underpin its leadership of the Company and guides the management and employees at all levels of the organisation in their respective roles within the Group.

The Company remains on the SGX Fast Track in 2023. This programme was launched by Singapore Exchange Regulation ("SGX RegCo") in recognition of listed companies which have maintained good corporate governance standing and good compliance track record. Companies under this programme will receive prioritised clearance on all submissions of corporate action to SGX RegCo.

In the Singapore Governance & Transparency Index 2023, Mewah secured the 53rd position out of 474 listed companies, making a notable advancement from its 185th placement in 2022.

Corporate Governance

Corporate Governance Framework



I. BOARD MATTERS

THE BOARD'S CONDUCT OF ITS AFFAIRS

PRINCIPLE 1

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

Provision 1.1

Board Responsibility

Mewah is led by an effective and experienced Board, which collaborates closely with the management for the long term success of the Group. The Board operates collectively to furnish entrepreneurial leadership, setting strategic objectives and constantly safeguard stakeholder interests while enhancing the returns of the Group. Under the Board's stewardship, the Group's businesses are expected to achieve sustainable and successful performance over the long-term and is resilient in the face of the demands of a dynamic, fast-changing environment.

During FY2023, similar to previous financial year, besides carrying out its statutory responsibilities, the Board also performed the following roles:

I. Providing entrepreneurial leadership and guidance, setting strategic directions and long-term goals of the Group to ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
2. Guide the formulation of the Group's overall long-term strategic plans and performance objective;
3. Ensuring that appropriate and adequate systems of internal control and risk management processes are in place and establish a framework of prudent and effective controls which enable risks to be assessed and managed effectively;

Corporate Governance

4. Review and approve the Group's strategic and business plans including major funding proposals;
5. Monitor the performance of the Group against plans and goals;
6. Consider sustainability issue, and in particular environmental and social factors in the formulation of business strategies and corporate policies of the Group;
7. Identify and approve the applicable material environment, social and governance (**"ESG"**) factors; and
8. Monitor and ensure compliance with such laws and regulations as may be relevant to the business.

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

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

Conflict of Interest

All Directors are required to avoid situations where their own personal or business interest may conflict or appear to conflict with the interest of the Group. In the event that a Director has a conflict of interest or it appears that he/she may have a conflict of interest in relation to any matters, the Director must declare his/her interest at a meeting of the Board or send a notice to the Board and the Company containing details of his/her interest in the matter and the actual or potential conflict and Directors must rescue himself/ herself from deliberations and abstain from voting on any contract or arrangement in which they have a personal interest.

Provision 1.2

Board Orientation, Induction and Training

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

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

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

Corporate Governance

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

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

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

- Annual Information Technology Security and PDPA Awareness Training and Updates;
- The Race to Net Zero: How Investing in Climate Action is Reshaping the Investment Landscape;
- Navigating the Landscape of ESG Assurance: What to Anticipate.

In addition, all the Board members with or without experience or knowledge had completed the mandated and SGX recognised sustainability training course organised by the Singapore Institute of Director as required by the enhanced SGX sustainability reporting rules announced in December 2021.

Provision 1.3

Matters requiring the Board's decision and approval

The Board sets the strategic direction for the management, and the management handles the day-to-day operational decisions. The Group has adopted internal guidelines governing matters that required the Board's approval which has been clearly communicated to the management. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those prescribed limits to Board Committees and the key management.

The Board periodically reviews the adequacy of internal controls, risk management and transactions and credit limits to ensure that while there is delegation of authority, there are sufficient checks and balances in place to monitor compliance with delegated limits.

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

- Group's strategy and business plans of the Group;
- Capital expenditure, investments and divestments exceeding certain material limits;
- All capital-related matters including increase, decrease, or re-organisation;
- Dividend policy, declaration of dividend and dividend payments;
- All corporate policies and Board Committees' Terms of Reference;
- Risk strategy, internal controls, and risk limit strategies and execution;
- Approval of credit limits and trade terms with related parties;
- Adoption of Interested Persons Transaction Mandate;
- Annual and half-yearly results announcements;
- Annual reports;
- ESG material topics;

Corporate Governance

- Sustainability reports;
- Appointment of directors and key management personnel;
- Succession planning for directors and key management personnel; and
- Any other matters as prescribed under the relevant legislations and regulations, as well as the provisions of the Company's Memorandum and Articles of Association.

Provision 1.4

Delegation by the Board

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

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

Composition of Board and Board Committees:

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

All the Board Committees are actively engaged and contribute to cultivating good corporate governance within the Company. Minutes of the Board Committee meetings are readily available to all Board members. It is recognised that these Committees endowed with the authority to address specific issues and provide decisions and recommendations on matters within their respective written terms of reference and/or limits of delegated authority. However, it is emphasised that the ultimate responsibility for all matters rests with the Board.

Corporate Governance

Provision 1.5

Board Meeting and Attendance

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

The Directors' attendance and the mode of the Board, and Board Committees meetings during the financial year ended 31 December 2023 is set out as follows:

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

* Attendance by invitation of the Committee

Corporate Governance

Mode of Meeting

Annual General Meeting - Physical meeting
Quarter 1 - Virtual Meeting
Quarter 2 - Virtual Meeting
Quarter 3 - Virtual Meeting
Quarter 4 - Physical Meeting

Multiple Board Representations

All directors are required to declare their board representations on a quarterly basis. When a director has multiple board representations, the NC will consider whether the director is able to adequately carry out his/her duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments. Further disclosure on each director's present and the past three years of directorship in a Singapore listed company have also been made from page 08 to 12 of "Board of Directors".

The NC has conducted a comprehensive assessment, including a thorough review of the Multiple Board Representation Confirmation, the quarterly List of Directorship submitted by all directors, and the deliberations held during the NC meeting. Based on this examination, the NC is satisfied that directors possess the requisite time and attention necessary for effectively fulfilling their duties as director of the Group. This conclusion holds true despite their concurrent appointments and commitments, ensuring the Group's affairs receive the requisite oversight and attention.

Provision 1.6

Access to complete, adequate, and timely information

The Group recognises an accurate and timely flow of relevant information is critical for the Board to be effective in the discharge of its duties. Prior to each Board and Board Committee meeting, and where needed, the management provides directors with relevant, complete, adequate and timely information in soft copy followed by printed copies for those directors who choose to receive meeting materials in print. The Board papers and related materials e.g. background or explanatory information are sent to directors at least three calendar days before the Board meeting so that the Board members may better understand the matters prior to the Board meeting to further constructive discussions, and for queries to be raised in the meeting. Directors are also regularly updated on developments and significant events pertaining to the Group's business operations to ensure they remain informed and equipped to make informed decisions. However, sensitive matters may be tabled at the meeting itself or discussed without any papers distributed. Explanatory information and background details pertaining to sensitive matters will be provided during the briefing, offering directors valuable insights. When necessary, senior management and/ or the relevant employees will be invited to attend Board meetings to answer any queries from Directors.

Provision 1.7

Independent Professional Advice and Access to Management

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

Corporate Governance

Company Secretary

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

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

BOARD COMPOSITION AND GUIDANCE

PRINCIPLE 2

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

<u>Provision 2.1, 2.2, 2.3</u>

Provision 2.1 Board Independence
Provision 2.2 Independent Directors make up a majority of the Board where the Chairman is not Independent
Provision 2.3 Non- Executive Directors to make up a majority of the Board

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

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

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

In FY2023, the NC has assessed and is satisfied that all the four non-executive independent directors, namely Dr Foo Say Mui (Bill), Mr Robert Loke Tan Cheng, Datuk Dr Fawzia Binti Abdullah, Tan Sri Dato' A Ghani Bin Othman are independent as they do not have any relationship with the Group, its related corporations, its substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Group, and they are able to exercise objective judgment on corporate affairs independently from management and its substantial shareholders.

Corporate Governance

As part of Mewah's Board renewal process and the recent new regulations stipulating a maximum tenure of nine years for Independent Directors serving on the boards of issuers listed on SGX. Dr Foo Say Mui (Bill) and Mr Robert Loke Tan Cheng, who have each served on the Board for nearly nine years, will not seek re-election in the forthcoming Annual General Meeting. They will be stepping down on 26 April 2024, at the conclusion of the Annual General Meeting. Their retirement underscores Mewah's commitment to compliance with the new listing rules and also forms an integral part of our boarder board renewal process.

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

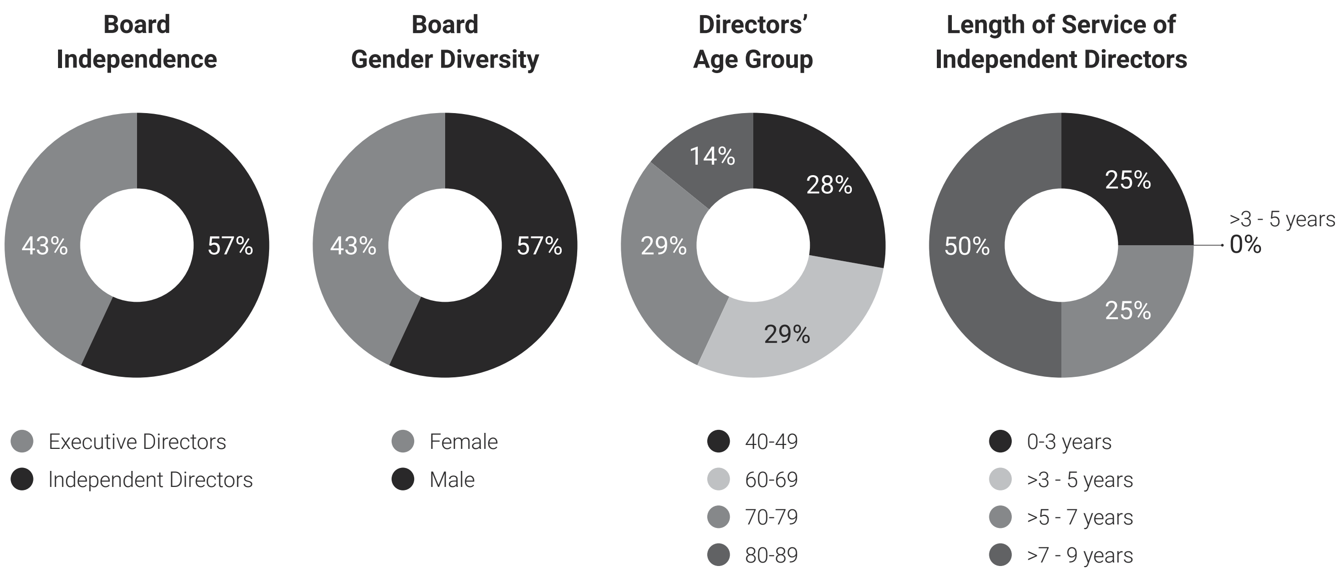
<u>Provision 2.4</u>

Board Size, Composition, Diversity and Balance

For FY2023, the NC conducted its annual review on the composition and size of the Board including the skills, knowledge, experience, gender, age, and core competencies and concluded that they were appropriate, taking into account the scope and nature of the operations of the Group. The NC also noted that there was adequate diversity among the Board members. The Board comprised members of both genders and from different backgrounds whose core competencies, qualifications, skills and experience met with the requirements of the Group.

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

Details of the Board composition are as follows:



Corporate Governance

Board Diversity Policy

The Group has adopted a Board Diversity Policy which recognises that a diverse Board will enhance the decision-making process by utilising the variety in skills, knowledge, industry and business experiences, gender, and other distinguishing qualities of the members of the Board to avoid groupthink and bias and foster constructive debate and achieve effective decision making in the best interest of the Group. Under the Board Diversity Policy, the NC will also discuss and recommend to the Board the appropriate measurable targets for promoting and achieving diversity in the composition of the Board and Board committees.

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

The Company's diversity targets, plans and timelines, and progress updates are outlined below.

Diversity Targets, Plans and Timelines	**Targets Achieved/ Progress Towards Achieving Targets**
Gender	
Appropriate balance of gender diversity by appointing a minimum of two female directors to the Board. **How it serves the needs and plans of the Company?** The Company believes that an optimum mix of men and women on the Board to provide different approaches and perspectives.	Achieved – As at the end of FY2023, three out of seven Directors are female. This represents 43% of the Board.
Knowledge and Industry & Business Experience	
At least one director with extensive knowledge of the operating environment in two out of Mewah's major operational countries. **How it serves the needs and plans of the Company?** The Company believes that having a director with deep knowledge of two major operational countries enhances regulatory compliance, fosters stakeholder relations, mitigates risk, and drives innovation in our food and agri-business.	Achieved – As at the end of FY2023, the Board is comprised of at least one Independent Directors with extensive knowledge in Malaysia vs Indonesia and Singapore vs Malaysia and all Executive Directors with extensive knowledge in Singapore vs Malaysia.
Board Independence	
Independent directors constitute a majority of the Board. **How it serves the needs and plans of the Company?** The Company believes maintaining a balanced of level of independence among directors foster unbiased decision-making, strengthens corporate governance and cultivate director's independent business judgment, all aimed at the best interests of the Group.	Achieved – As at the end of FY2023, four out of seven Directors are non-executive Independent Director. This represents 57% of the Board.

Corporate Governance

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

The profile of each director is set out on pages 08 to 12 of this Annual Report.

Provision 2.5

Meeting of Independent Directors without Management

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

PRINCIPLE 3

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

Provision 3.1, 3.2

Provision 3.1 Separation of the Role of Chairman and the Chief Executive Officer ("CEO")
Provision 3.2 Role of Executive Chairman and CEO

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

The Executive Chairman, Dr Cheo Tong Choon @ Lee Tong Choon (**"Dr Cheo"**) plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision. Dr Cheo has been the force behind the success of the Group and works closely with the Deputy Chairperson cum CEO, Executive Director cum COO and the management. Please refer to Dr Cheo's profile on page 08 of this Report.

Ms Michelle Cheo Hui Ning, daughter of Dr Cheo, is an Executive Director, Deputy Chairperson and CEO of the Group. She is responsible for the overall execution of strategy as endorsed by the Board and for operational performance and organisational excellence. Please refer to Ms Michelle Cheo's profile on page 08 of this Report.

Ms. Bianca Cheo Hui Hsin, daughter of Dr Cheo, is an Executive Director and COO of the Group. She has overall responsibility for the Consumer Pack segment of the Group. Please refer to Ms Bianca Cheo's profile on page 09 of this Report.

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

Corporate Governance

The key responsiblities of the Chairman are: -

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

Provision 3.3

Lead Independent Director

Acknowledging that the Chairman of the Board holds an Executive Director position and thus lacks independence, the Board has appointed a Lead Independent Director who serves as a vital intermediary, providing a sounding Board for the Chairman and facilitating communication between the Independent Directors and the Chairman.

The current Lead Independent Director, Dr Foo Say Mui (Bill) provides leadership in situations where the Chairman was conflicted and to ensure a balance of power and authority, such that no one individual has unfettered powers of decision making. The Lead Independent Director acts as a bridge between the Independent Directors and the Chairman as well as representing shareholders' interests. As a Lead Independent Director, Dr Foo was always available to shareholders and stakeholders if they had concerns for which contact through normal channels of communication with the Chairman or management were inappropriate or inadequate. Shareholders may email to lr@mewahgroup.com which will channel the same to Dr Foo directly. There was no query or request on any matters received in FY2023 which require the Lead Independent Director's attention.

BOARD MEMBERSHIP

PRINCIPLE 4

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

Provision 4.1, 4.2

Provision 4.1 Key terms of reference of Nominating Committee
Provision 4.2 Membership of Nominating Committee

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

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

Corporate Governance

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

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

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

(a) Skills, experience, knowledge, gender, and age diversity;
(b) At least one director with extensive knowledge of the operating environment in two out of Mewah's major operational countries and
(c) Non-executive directors make up a majority of the board, where the Chairman is not independent.

NC's key responsibilities include the following:

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

Provision 4.3

Selection, Appointment and Re-Appointment of Directors

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

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

The NC will engage external agencies to assist, if required, at the expense of the Group. In FY2023, no engagement of external agencies in selection and appointment of new Directors was done.

Corporate Governance

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

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

Key information regarding each director's qualifications, date of first appointment, present and directorship history for the past three year are presented on pages 08 to 12 of this Annual Report. The NC had recommended to the Board the re-election of Dr Cheo Tong Choon @ Lee Tong Choon and Tan Sri Dato' A Ghani Bin Othman, who will be retiring pursuant to Article 86 of the Company's Memorandum and Articles of Association at the forthcoming AGM. The directors retiring by rotation have consented to continue in office.

The additional information on Dr Cheo Tong Choon @ Lee Tong Choon and Tan Sri Dato' A Ghani Bin Othman, being the Directors who have been nominated for re-election, pursuant to Rule 720(6) of the SGX-ST Listing Manual, are set out below:

Name of Person	Dr Cheo Tong Choon @ Lee Tong Choon	Tan Sri Dato' A Ghani Bin Othman
Date of Appointment	29 October 2010	24 February 2021
Date of Last Re-Appointment	28 April 2021	28 April 2021
Age	79	77
Country of Principal Residence	Singapore	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board having considered and accepted the recommendation of the Nominating Committee and assessed Dr Cheo's overall contributions and performance, is of the view that he is suitable for re-appointment as a Director of the Company.	The Board having considered and accepted the recommendation of the Nominating Committee and assessed Tan Sri Dato' A Ghani overall contributions and performance, is of the view that he is suitable for re-appointment as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive Director	Independent Non-Executive
Job Title	Executive Chairman of the Board of Directors, Member of Nominating Committee	Member of the Board of Directors, Audit Committee and Remuneration Committee

Corporate Governance

Name of Person	Dr Cheo Tong Choon @ Lee Tong Choon	Tan Sri Dato' A Ghani Bin Othman
Professional qualifications	Doctor of Medicine (MD) degree from the University of Saskatchewan, Canada	• Bachelor of Economics (Hons) degree from La Trobe University, Australia • Master in Political Economy from Queensland University, Australia
Working experience and occupation(s) during the past 10 years	Please refer to the "Board of Directors" on page 08.	Please refer to the "Board of Directors" on page 11.
Shareholding interest in the listed issuer and its subsidiaries?	Yes. Please refer to "Statistics of Shareholdings" on pages 174 to 175.	NIL
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	Father of Ms Michelle Cheo Hui Ning (Deputy Chairperson, Executive Directors cum CEO and substantial shareholder), Ms Bianca Cheo Hui Hsin (Executive Director, Chief Operating Officer and substantial shareholder); and Mr Cheo Jian Jia and Ms Sara Hui Yi (substantial shareholders)	NIL
Conflict of interests (including any competing business)	NIL	NIL
Undertaking (in the format set out in Appendix 7.7) under Rule 720 (1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships:		
Past Directorship (for the last 5 years)	Ngo Chew Hong Corporation Pte. Ltd. Mewah Brands (S) Pte. Ltd. Mewah Commodities Pte. Ltd. Peng Hong Shipping Pte Ltd Ngo Chew Hong Investment Pte. Ltd. Cavenagh Oleo (S) Pte. Ltd. Hua Guan Oleo (S) Pte. Ltd. MOI International Inc.	NIL
Present Directorship	Mewah International Inc. Cavenagh House International Inc. Pandan Loop International Inc. Hua Guan Inc. J.J. Mibiansa Holidngs Pte Ltd Ecobliss (S) Pte. Ltd. Futura Ingredients Singapore Pte. Ltd. Eco Oleo (S) Pte. Ltd. Moi Chemicals Limited Eighteen Tenth Nineteen Forty Four Inc. Unity Investment Inc. T.C. Stone Limited Ecogenesis Life Science Pte. Ltd.	Mewah International Inc Malaysia Institute of Economic Research (MIER)

Corporate Governance

Name of Person	Dr Cheo Tong Choon @ Lee Tong Choon	Tan Sri Dato' A Ghani Bin Othman
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was field against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

Corporate Governance

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

Corporate Governance

Name of Person	Dr Cheo Tong Choon @ Lee Tong Choon	Tan Sri Dato' A Ghani Bin Othman
(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
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere.	No	No
In connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(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

Corporate Governance

Provision 4.4

Continuous Review of Directors' Independence

In FY2023, the NC had conducted, inter alia, an annual review of the independence of the non-executive directors based on their declaration which was drawn up in accordance with the guidelines provided under the Code, its Practice Guidance and relevant SGX-ST listing rules, and had determined, having regard to the circumstances set forth in Provision 2.1 of the Code, the independence of each Independent Directors . Please refer to Provision 2.1 above on the process and details of the NC's review of the independence of Independent Directors. The NC is also committed to reassess the independence of each Independent Directors as and when necessary.

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

Provision 4.5

Multiple Directorships

The Board has not set the maximum number of Board representations which any director may hold. However, the NC monitors and assesses twice a year through the Multiple Board Representation Confirmation and the Annual Nominating Committee Evaluation to ensure all directors are aware of their duties and obligations.

This includes evaluating whether directors with multiple board representations and other principal commitments allocate adequate time and attention to the affairs of the Group and diligently discharge their duties as a director of the Group. Moreover, each director is required to annually confirm to the NC any potential conflicts arising from competing time commitments that could impact their ability to fulfil their duties effectively.

Based on the assessments, the individual directors' effectiveness, their actual conduct on the Board and Board Committees, and their meeting attendance record, the NC is satisfied that in 2023, sufficient time and attention has been given to the affairs of the Group by each director. Details of directorships and commitments of all directors are detailed in pages 08 to 12 of this report. Please also see page 46 of this report for the attendance record of all directors.

BOARD PERFORMANCE

PRINCIPLES 5

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

Provision 5.1, 5.2

Provision 5.1 Board Evaluation Process
Provision 5.2 Assessments of the Board, Board Committees and Each Director

The NC is delegated by the Board to conduct an annual evaluation process aimed at assessing the effectiveness of both the Board and the Board Committees. This evaluation entails written assessments by individual directors, submitted anonymously. Additionally, the NC deliberates on and evaluates the contribution of both the Chairman and each director to the overall effectiveness of the Board.

Corporate Governance

These assessments are grounded in objective performance criteria and are customised to fit the specific focus areas of each Board Committees and the Board, as outlined below: -

Audit Committee ("AC")	**Nominating Committee ("NC")**	**Remuneration Committee ("RC")**	**Board of Directors ("BOD")**
Membership and Appointment of AC	Membership and Appointment of NC	Membership and Appointment of RC	Board Structure
Meetings	Meetings	Meetings	Board Function and Team Dynamics
Internal Financial Controls and Risk Management Systems	Training and Resources	Training and Resources	Corporate Governance – Board Risk Management & Internal Controls
Whistleblowing	Process for Selection and Appointment of New Directors	Remuneration Framework	Strategy and Performance
Financial Reporting	Independence of Directors	Reporting	Standard of Conduct
Training and Resources	Nomination of Directors for Re-Election	Standard of Conduct	
Communication with shareholders	Director with Multiple Board Representations	Communication with Shareholders	
Internal Audit Process	Standard of Conduct		
External Audit Process	Succession Planning		
	Board Performance Evaluation		
	Reporting		
	Communication with Shareholders		

The Company Secretary compiles the directors' responses from the evaluation forms into a consolidated report. The collated findings are reported, and recommendations are submitted to the Board for review and to further enhance the Board's effectiveness in every year-end meeting. No external facilitator was used in the evaluation process. The performance criteria do not change from year to year except the NC is of the view that it is necessary to change the performance criteria, for instance, to align with any exchanges to the Code and the Listing Rules. In 2023, there were no significant issues that might warrant the Board 's attention.

Corporate Governance

II. REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION PROCESS

PRINCIPLE 6

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

Provision 6.1, 6.2, 6.3, 6.4

Provision 6.2 RC Composition

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

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

Provision 6.1 Remuneration Framework

The RC is responsible for formulating and proposing to the Board a framework for remunerating both the Board and the Key Management Personnel (**"KMP"**). This includes determining the specific remuneration packages for each director and the KMPs. The recommendations of the RC are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits in kind are covered by the RC.

The remuneration framework is outlined in the Remuneration Policy, which undergoes periodic review to ensure it remains relevant and effective. The RC conducts a review and recommends the specific remuneration packages of the Executive Directors and the KMPs, including the annual increments and year-end variable bonuses, for approval by the Board. Each member of the RC is required to abstain from voting on any resolutions, making recommendations and/or participating in deliberations concerning their own remuneration package.

Provision 6.3 Role of RC

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

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

Corporate Governance

RC's key responsibilities include the following:

(i) Determining policies and ensure that the Board and KMPs of the Company are provided with appropriate remuneration, proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company;
(ii) review and ensure that a significant and appropriate proportion of Executive Directors; and KMPs remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration structure shall be aligned with the interests of shareholders and other stakeholders to promote the long-term success of the Company;
(iii) review and ensure that the remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities;
(iv) review and agree the policy for authorising claims for expenses from the Chief Executive Officer and the Chairman;
(v) review RC's own performance and terms of reference;
(vi) review the Group's obligations in the event of termination of an Executive Director's and/or KMP's contract of service.

Provision 6.4 Engagement of Remuneration Consultants

The RC has explicit authority within its terms of reference to seek appropriate external expert advice in framing the remuneration policy and determining the level and mix of remuneration of directors and management. Since there was no specific necessity, the RC did not engage any external remuneration consultant in FY2023.

LEVEL AND MIX OF REMUNERATION

PRINCIPLE 7

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

Provision 7.1 and 7.3

Remuneration of Executive Directors and KMPs

The annual review of the compensation was carried out by the RC to ensure that the remuneration of the Executive Directors, CEO and KMPs are commensurate with their performance, while also considering the financial and commercial health as well as the business needs of the Group. Executive Directors do not receive directors' fees but are remunerated as members of the management.

The RC also factors in the risks policies of the Group and remains responsive to the economic climate and the performance of the Group, its businesses, and individuals. The structure is designed to align a significant and appropriate proportion of rewards with both the Group's and individual's performance.

Corporate Governance

In determining the level and structure of remuneration of the Board and KMPs, the RC and the Board ensure that its reflects sustained performance and value creation within the Group. The remuneration framework is designed to align with the interests of shareholders, other stakeholders, whiles also being sufficiently competitive to attract, retain, and motivate individuals for the long-term success of the Group.

Provision 7.2

Remuneration of Independent Non-Executive Directors

Independent Directors are not bound by service agreements with the Company and their terms in office is defined in the Constitution. Each Independent Directors receives a directors' fee. When evaluating the structure and level of directors' fee for the Independent Directors, the RC takes into consideration the directors' respective roles and responsibilities in the Board and its Board Committees.

The RC is vigilant in ensuring that the remuneration for Independent directors remains reasonable and does not compromise, nor reasonably be perceived to compromise their independence. No director is involved in determining their own remuneration.

The Board concurred with the RC that the proposed directors' fee for FY2023 is appropriate and not excessive, taking into consideration the level of contributions by the directors and the responsibilities of the directors. Directors' fees are recommended by the RC, concurred by the Board, and submitted for approval by the shareholders at the AGM of the Company.

Currently, the Company does not operate any share-based compensation scheme, or any long-term incentive scheme involving the offering of shares or granting of options.

DISCLOSURE ON REMUNERATION

PRINCIPLE 8

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

Provision 8.1, 8.2, 8.3

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

The remuneration structure for Executive Directors and the KMPs encompasses a base or fixed salary, variable income/performance related bonuses and benefits in kind as outlined in the Remuneration Policy. The determination of the remuneration package considers various factors, including the individual's role and responsibilities, performance, company performance, time commitment, skill, experience and level of contribution to the Company's success.

Corporate Governance

Independent Directors receive directors' fees, which are subject to approval by shareholders at the AGM. No additional fees are provided for their appointments on other Board Committees. The directors' fees are determined based on the level of contribution, considering factors such as effort, time spent, and the responsibilities of the directors. This approach ensures that the independence of the Independent Directors is maintained, and their compensation does not compromise their independence.

Executive directors and the CEO do not receive directors' fees but are remunerated as members of management.

Level and Mix of Remuneration

The breakdown of the remuneration of the (i) directors and CEO; and (ii) employees who are substantial shareholders or are immediate family members of a director, the CEO or a substantial shareholder of the Company, for the financial year ended 31 December 2023 is as follows:

(i) Director and CEO

Name	Fixed Salary	Variable Income	Benefits in Kind	Total	Remuneration Band (S$'000)
Executive Directors					
Dr Cheo Tong Choon @ Lee Tong Choon	79%	20%	1%	100%	3,250 to 3,500
Ms Michelle Cheo Hui Ning	81%	18%	1%	100%	1,250 to 1,500
Ms Bianca Cheo Hui Hsin	79.4%	19.2%	1.4%	100%	1,250 to 1,500
Independent Directors					
Mr Robert Loke Tan Cheng	100%			100%	250 and below
Dr Foo Say Mui (Bill)	100%			100%	250 and below
Datuk Dr Fawzia Binti Abdullah	100%			100%	250 and below
Tan Sri Dato' A Ghani Bin Othman	100%			100%	250 and below

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

Corporate Governance

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

Name	Family relationship with any director and/or substantial shareholder	Remuneration Band (S$'000)
Mr Cheo Jian Jia	Children of Dr Cheo Tong Choon @ Lee Tong Choon; Sibling of Ms Michelle Cheo Hui Ning and Ms Bianca Cheo Hui Hsin	800 to 900
Ms Cheo Sor Cheng Angeline	Sibling of Dr Cheo Tong Choon @ Lee Tong Choon	300 to 350
Ms Cheo Chong Cher		300 to 350
Ms Cheo Su Ching		300 to 350
Ms Cheo Soh Hua @ Lee Soh Hua		200 to 300
Mr Cheo Teong Eng		200 to 300
Ms Alicia Cheo		200 to 300

Top Five Key Management Personnel

Remunerations paid to the top five Key Management Personnel (**"KMPs"**) (who are not directors or the CEO) ranged between S$250,000 and S$2,000,000 and aggregated to S$4,133,000 59%, 40%, and 1% of which were fixed salary, variable income, and benefits in kind respectively. The disclosure made for the KMP's remuneration in bands of S$250,000 as well as a breakdown in percentage terms into fixed salary, variable income and benefits in kind as the Group believes that given the confidential and commercial sensitivities associated with remuneration matters, the highly competitive human resource environment in which the Group operates, the importance of ensuring stability, continuity of business operations with a competent, and experienced management team in place, it is in the best interest of the Group to not disclose the Company's top five KMP (whom are not directors or the CEO) on a named basis.

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

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

The Company did not have any Employee Share Schemes for the financial year 2023.

Corporate Governance

III. ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

PRINCIPLE 9

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

Provision 9.1

Oversight of Risk Management

The Executive Risk Management Team (**"ERM"**) comprises Executive Chairman, CEO, Chief Operating Officer, Chief Financial Officer and Head of Risk Management. Its primary role is to monitor and support the Board to the nature and extent of the significant risks the Group is willing to undertake in achieving its strategic objectives and value creation. Additionally, the ERM Team is tasked with overseeing and enhancing the Company's risk management system, policy and processes to ensure compliance with trading policies and limits.

Regular updates on key risks are provided to the AC by the management. Further details on risk management can be found on pages 24 to 27 of this report.

The Board retains ultimate responsibility for providing leadership, defining the risk appetite and tolerance level and ensuring that management maintains a robust system of risk management and internal controls to safeguard the interest of the Company and the shareholders.

Internal Audit

The Internal Audit (**"IA"**) function within the Group is performed by Internal Audit Department, comprising suitably qualified and experienced professionals under the leadership of Mr Larry Cheng (**"Mr Cheng"**). Adhering to the International Standards for the Professional Practice of Internal Auditing and Code of Ethics and Standards established by the Institute of Internal Auditor (IIA), Inc and IIA Singapore respectively.

IA maintains a framework for overseeing the Group's risk governance and ensuring the maintenance a strong system of risk management and internal controls to protect the interests of shareholders and the Group's assets. Operating independently, Mr Cheng reports directly to the Chairman of the Audit Committee, which oversees key aspects such as appointment, termination, evaluation, and compensation of the Group's Head of Internal Audit.

The Audit Committee conducts an annual review of IA's authority and responsibilities ensuring alignment with the AC Terms of Reference. IA has unfettered and unrestricted access to all the Group's documents, records, properties, and personnel, including direct engagement with the Audit Committee.

Corporate Governance

The IA conducts an annual review of the effectiveness of the Group's material internal controls, including financial, operational, compliance, information technology controls, risk management systems and Sustainability Report. Any identified non-compliance or failure in internal controls, and recommendations for improvements are reported to the Audit Committee. Additionally, the Audit Committee oversees the management's response to recommendations from both the internal and external auditors.

Furthermore, IA conducts audits on significant business units within the Group, including limited review of dormant and inactive companies. Consolidation reports are submitted quarterly to the Audit Committee for deliberation, with key management receiving copies for transparency and accountability. IA's findings and recommendations are thoroughly discussed during quarterly Audit Committee meetings.

The Audit Committee also holds dedicated meetings with the IA without the presence of the Senior Management to discuss any concerns independently.

The Audit Committee has reviewed and confirmed its satisfaction with the independence, effectiveness, and resources adequacy of the IA function.

Risk Management and Internal Control

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

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

Based on the internal controls and risk management systems established and maintained by the Group, audit checks performed by the internal and external auditors, and regular reviews performed by management, the Board and various Board Committees, the Audit Committee and the Board are of the opinion that the Group's internal control and risk management systems are adequate and effective as at 31 December 2023 to address the financial, operational, compliance, information technology and sanction related risks of the Group. There has been no material change in the Company's risk of being subject to any sanctions-related laws or regulations. The Board and the Audit Committee remain responsible for monitoring the Company's risk of becoming subject to or violating any sanctions-related laws or regulations and ensuring timely and accurate disclosure to SGX and other relevant authorities. The internal control and risk management systems established by the Group provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

Corporate Governance

Provision 9.2

Assurance from the CEO and CFO

The Chief Executive Officer and Chief Financial Officer have also provided a written confirmation to the Board that, to the best of their understanding:

(a) the financial records have been properly maintained and the financial statements for FY2023 are properly drawn up in accordance with Singapore Financial Reporting Standards (**"SFRS"**), presenting a true and fair view of the Group's operations and performance; and

(b) the Group has established and maintained an adequate system of internal controls and risk management system as of 31 December 2023, effectively addressing financial, operational, compliance, information technology risk which the Company considers relevant and materials to its current business environment for the financial year ended 31 December 2023.

The Board has concurred with the management that the Group's risk management and internal control systems are effective.

AUDIT COMMITTEE

PRINCIPLE 10

The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provision 10.2 and 10.3

Composition of Audit Committee

The Audit Committee (**"AC"**) comprises entirely of Independent Directors. Please refer to Provision 1.4 above on the names of the members and the composition of the AC. The AC is chaired by Mr Robert Loke Tan Cheng with Datuk Dr Fawzia Binti Abdullah and Tan Sri Dato' A Ghani Bin Othman as its members. The Board considers the members of the AC appropriately qualitied with sufficient and, relevant financial management expertise and experience to discharge its functions. The AC is also kept abreast of changes to accounting standards and issues which have a direct impact on financial statements through meetings with the external auditors who will update the AC on recent related developments. It has held four meetings in 2023. The Executive Directors and the relevant Senior Management were invited to attend the meeting. The AC has also met with the internal and external auditors without the presence of the management during the year.

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

Corporate Governance

Provision 10.1

Duties of AC

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

(i) Commission internal investigations and review any significant findings or otherwise to carry out its obligations under Rule 719 of the SGX-ST Listing Manual in relation, inter alia, any suspected fraud or irregularity, or suspected infringement of any Singapore law, regulations, or rules of the SGX-ST, or any other regulatory authority of Singapore, which has or is likely to have a material impact on the Group's operating results or financial position;
(ii) Review the financial reporting issues and judgments to ensure the integrity of the financial statements of the Group (including its annual and semi-annual reports and any other formal financial statements, as well as reviewing significant financial reporting issues and judgments therein), and announcements on the Group's financial performance and recommend changes, if any, to the Board;
(iii) Review and report to the Board the adequacy and effectiveness of the Group's internal controls and risk management systems and any oversight of its risk management processes and activities to mitigate and manage risks at acceptable levels as determined by the Board;
(iv) Review the assurance from the CEO and the Chief Financial Officer, on the financial records and financial statements;
(v) Consider and make recommendations to the Board on the proposals to shareholders on the appointment, reappointment, and removal of the Group's external auditors. The AC shall oversee the selection process for new auditors and if an auditor resigns, the AC shall investigate the issues leading to the resignation and decide whether any action is required;
(vi) Oversee the relationship with the external auditors and make recommendations to the Board on the external auditors' remuneration and terms of engagement to ensure the fee commensurate with the audit and non-audit services provided, and whether the scope of such services ensure requisite audit to be conducted;
(vii) Assess and review annually the qualification, adequacy, effectiveness, independence, scope, and results of external audit and the Group's internal audit function;
(viii) Review the policies and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, with independent investigations appropriately followed up on;
(ix) Review and approve the annual internal and external audit plan;
(x) Review interested persons transactions and potential conflicts of interest, if any
(xi) Review the findings of internal audit on the sustainability reporting process;
(xii) Review all hedging policies and instruments to be implemented by the Group, if any; and
(xiii) Review all investment instruments that are not principally protected.

Every member of the AC is required to refrain from voting on any resolution concerning matters in which they hold a personal interest.

Provision 10.4

Primary Reporting Line of Internal Audit ("IA")

The Group Head of the IA, Mr Larry Cheng, attended all AC meetings and reports directly to the AC Chairman, who is responsible for approving the appointment, termination, evaluation and compensation of the Group's Head of IA. The IA function of the Group has unfettered access to all the Group's documents, records, properties, and personnel, including Audit Committee, and has appropriate standing within the Group. IA function is further explained in page 66 to 67.

Corporate Governance

External Auditors

The AC has conducted the annual review on the independence and objectivity of the external auditors as well as the non-audit services provided by them and is satisfied that the nature and extent of such services do not affect the independence of the external auditors. Details of the fees paid and payable to the auditors in respect of audit and non-audit services are set out in the notes to financial statements on page 119 of this Report. The Group has complied with Rule 712, and Rule 715 read with Rule 716 of the SGX-ST Listing Manual, in relation to its auditors. The audit partner of the external auditors is rotated every five years in accordance with Rule 713 of the SGX-ST Listing Manual.

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

The AC, with the concurrence of the Board, had recommended the re-appointment of PwC as the Group 's external auditors of the Company, subject to the shareholders' approval at the forthcoming AGM scheduled on 26 April 2024.

Provision 10.5

Meeting Auditors without the Management

The AC also holds an annual year-end meeting with both internal and external auditors, without the presence of management. The meeting was conducted physically for the auditors and Independent Directors to deliberate any matters of concern.

Whistleblowing Policy

The Group has established a Whistleblowing Policy to facilitate the reporting of malpractice, illegal acts, or omission of work relating to the Company and the employees. This policy has been approved by the AC and endorsed by the Board. Details of the Whistleblowing Policy and arrangements have been posted to the employees' intranet and the corporate's website. To foster an atmosphere of openness and trust, employees and the external stakeholders are encouraged to report all whistleblowing activities directly to the Whistleblowing Committee (**"WC"**), whose contact details are provided in the policy. The confidentiality of the whistleblower's identity and provided information will be strictly maintained, except when legally obligated or already in the public domain.

All received reports will be directed for investigation to a designated independent committee and the number of employees involved in the investigation will be minimised to ensure confidentiality. The Group is committed to preventing victimisation of the whistleblower against detrimental or unfair treatment and disciplinary action will be taken against those employees who engage in such behaviour. If the whistleblower is an employee, a whistleblower protection officer may be assigned to monitor and assess signs of victimisation or stress.

The employment of the whistleblower will also be protected even if the report is ultimately proven unfounded, provided it was made in good faith. However, malicious or mischievous intent may result in disciplinary action.

The WC will conduct periodic reviews and recommend the policy to the AC. The AC will oversee and monitor the policy as well as any whistleblowing complains received. A summary of the investigations conducted will be periodically reported to the AC. These updates will also encompass matters that, while not material for the Group but are deemed to have merit by the WC. In cases involving substantial and materials whistleblowing matters, immediate reporting will be made to the Chairperson of AC.

Corporate Governance

Key Audit Matters

The AC, along with the management and the external auditors, considered and discussed the key audit matters, as disclosed on page 82 to 83 of this Annual Report. The AC's assessment and conclusion is explained below:

Valuation of commodities forward contracts of the Group

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

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

The AC reviewed management's impairment assessment including the valuation methodology adopted by management in relation to certain property, plant and equipment of the Group where indications of impairment were identified. The AC evaluated the work performed by the external auditors on the assessment of critical accounting estimates involved in estimating the revenue, discount rate, terminal growth rate and operating margin. It also held discussions with the external auditors to understand the basis of the key assumptions, appropriateness of valuation methodology used by management and evaluating management's sensitivity analysis to assess the impact on the recoverable amount of the related property, plant and equipment by reasonable possible changes to the key assumptions. Accordingly, the assessment of the recoverable amount of the related property, plant and equipment was carried out using value-in-use calculations or fair value less cost to sell total impairment charge of US$4,005,000 was recognised in the financial statements. Based on the work performed, AC concluded management's assessment to be appropriate.

IV. 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.

Provision 11.1 and 11.4

Conduct of Annual General Meeting ("AGM")

Shareholders are duly informed of shareholders' meeting through the distribution of printed copy of Notice of Annual General Meeting, Proxy Form and Request Form. Additionally, this notice has also published in the Business Times, posted onto the SGXNET and Mewah's corporate website.

To allow ample time for the shareholders to review, the Notice of AGM, Proxy Form and Request Form are distributed to all shareholders 14 days before the scheduled AGM date. This ensures shareholders have sufficient time to familiarise themselves with the meeting agenda and make informed decisions regarding voting and proxy representation.

Corporate Governance

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

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

Provision 11.2

Separate resolutions at AGM

The Board maintains a commitment to transparency and governance by ensuring that each distinct issue is proposed as a separate resolution for approval at the AGM. There is no bundling of the resolutions as they are not interdependent nor linked to each other. Detailed explanatory notes on each item of the agenda are also provided to the end of Notice of AGM. Furthermore, all resolutions were put to vote by way of poll.

Provision 11.3

Interaction with Shareholders

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

The Executive Chairman and all Directors, including the chairperson of each Board Committees and the management were present at the AGM held on 28 April 2023 to address shareholders' questions. Shareholders unable to attend the AGM were given the opportunity to submit their questions before the AGM. The Company did not receive any questions from shareholders by the deadline stated in Participation in the AGM announcement. However, the Board responded to the questions from Securities Investors Association (Singapore) (**"SIAS"**) by publishing an announcement on SGXNET and the Mewah corporate's website two days before the deadline for shareholders to submit their proxy forms. The external auditors were also present at such meetings to assist the directors in addressing the shareholders' queries, relating to the conduct of the audit and the preparation and content of the auditors' report.

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

Corporate Governance

Provision 11.5

Minutes of AGM

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

Provision 11.6

Dividend Policy

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

The Board has recommended a final exempt dividend of S$0.0061 per ordinary share, which along with interim dividend of S$0.0014, brings the total dividend for the year to S$0.0075 per ordinary share.

V. ENGAGEMENT WITH SHAREHOLDERS

PRINCIPLE 12

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

Provision 12.1, 12.2, 12.3

Timely, Effective, Fair and Accurate Communications with Shareholders

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

Corporate Governance

The Group has implemented an Investor Relations Policy aimed at fostering active engagement and timely, effective, fair and accurate communication with shareholders. This Policy is accessible on Mewah's corporate website, describes the mechanism for shareholders to communicate queries to the Group and outlines the process for the Group to respond to such queries. Shareholders, investors and other stakeholders are encouraged to contact IR team at ir@mewahgroup.com to express their comments and queries.

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

Following the amendments to the Listing Manual and to promote sustainability by conserving environmental and financial resources, the Group also make available a digital format of the Annual Report for FY2023 (the "**Annual Report**"). The Annual Report, as well as Notice of AGM, are published on the SGXNET and Mewah's corporate website. All shareholders of the Group will receive the printed copy of Notice of AGM, Proxy Form, and Request Form to request for hard copies of the Annual Report, if needed.

VI. MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

PRINCIPLE 13

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

Provision 13.1, 13.2, 13.3

Provision 13.1, 13.2 Stakeholders' Engagement
Provision 13.3 Corporate Website

We actively engage with our stakeholders through ongoing dialogues across various platforms and feedback channels to ensure our business and sustainability strategies are aligned with their interests and needs. By maintaining consistent interaction with our material stakeholders including customers, suppliers and NGOs to discuss our ESG focus areas enable us to capture valuable perspectives and ensure our sustainability goals resonate with their expectations.

The Group maintains its corporate website at www.mewahgroup.com, to communicate and engage with its stakeholders.

Corporate Governance

All material information regarding the performance and development of the Group and of the Company is consistently disclosed in a timely, accurate and comprehensive manner through SGXNET and the corporate website. The corporate website contains various information on the Group and the Company. Specifically, it features a dedicated "Investor Relations" section containing the latest and past annual report, financial results, corporate policies and related information. Additionally, stakeholders can also access the contact details of investor relations, sustainability team, marketing offices and whistleblowing committee directly from the Company's website.

The Company does not practice selective disclosure of material information.

The Annual Report FY2023 sets out the Group's Forward-Looking Strategy on pages 21 to 22 and key areas of focus in managing stakeholder relationships and engagement in the Sustainability Report FY2023 to be published on 30 April 2024.

VII. OTHER CORPORATE GOVERNANCE MATTERS

Dealings in securities
Listing Manual Rule 1207(19)

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

Directors, officers and employees are also reminded not to trade in listed securities of the Group at any time while in possession of unpublished price or trade sensitive information. Directors and all employees are also prohibited from trading in the Company's securities on short-term considerations, defined as 30 days from the last dealing; and in situations where the insider trading laws and rules would prohibit trading. Pursuant to the Securities and Future Act, Directors and the CEO are also required to report their dealings in the Company's securities within two business days from the trading day. The directors' interests in shares of the Company are disclosed on page 79 of this Report.

Interested Persons Transactions (IPTs)
Listing Manual Ruie 907

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

Corporate Governance

The Company's disclosures in respect of interested persons transactions for the financial year ended 31 December 2023 are as follow: -

Name of Interested Person	**Nature of relationship**	**Aggregate value of all IPTs during the period under review (excluding transactions less than S$100,000 and transaction conducted under shareholders' mandate pursuant to Rule 920)** FY 2023 US$'000	**Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)** FY 2023 US$'000
Prelude Gateway Sdn. Bhd.	An associate of the Company	143	3,227
Ecolex Sdn. Bhd.	An associate of the Chairman	26	16,423
Containers Printers Pte Ltd	An associate of sibling of the Chairman	200	386
Nature International Pte Ltd	An associate of sibling of the Chairman	3	NIL
Mr Cheo Seng Jin	Sibling of the Chairman	840	NIL
Mr Cheo Tiong Choon	Sibling of the Chairman	1,126	NIL
Futura Ingredients Singapore Pte Ltd	An associate of the Chairman	46	NIL
PT Mas Makmur	An associate of the Chairman	15	NIL

Material Contracts
Listing Manual Ruie 1207(8)

Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, there were no material contracts entered into by the Company or any of its subsidiaries involving the interests of the CEO, any Directors, or controlling shareholders subsisting at the end of financial year ended 31 December 2023 and no material contracts entered into since the end of the previous financial year.

Financial Statements

Directors' Statement

For the financial year ended 31 December 2023

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2023 and the balance sheet of the Company as at 31 December 2023.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 86 to 173 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Dr Cheo Tong Choon @ Lee Tong Choon
Ms Michelle Cheo Hui Ning
Ms Bianca Cheo Hui Hsin
Dr Foo Say Mui (Bill)
Mr Robert Loke Tan Cheng
Datuk Dr Fawzia Binti Abdullah
Tan Sri Dato' A Ghani Bin Othman

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Statement

For the financial year ended 31 December 2023

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	No. of ordinary shares			
	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2023	At 1.1.2023	At 31.12.2023	At 1.1.2023
Mewah International Inc				
Dr Cheo Tong Choon @ Lee Tong Choon	-	-	728,180,520	726,180,520
Ms Michelle Cheo Hui Ning	2,163,600	2,163,600	706,399,020	704,399,020
Ms Bianca Cheo Hui Hsin	2,460,100	2,460,100	707,825,020	705,825,020

(b) The directors' interests in the ordinary shares of the Company as at 21 January 2024 were the same as those as at 31 December 2023, except for the following:

	No. of ordinary shares			
	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 21.1.2024	At 31.12.2023	At 21.1.2024	At 31.12.2023
Mewah International Inc				
Dr Cheo Tong Choon @ Lee Tong Choon	-	-	728,184,020	728,180,520
Ms Michelle Cheo Hui Ning	2,163,600	2,163,600	706,402,520	706,399,020
Ms Bianca Cheo Hui Hsin	2,460,100	2,460,100	707,828,520	707,825,020

Directors' Statement

For the financial year ended 31 December 2023

AUDIT COMMITTEE

The members of the Audit Committee at the end of the financial year were as follows:

Mr Robert Loke Tan Cheng (Chairman)
Datuk Dr Fawzia Binti Abdullah
Tan Sri Dato' A Ghani Bin Othman

All members of the Audit Committee were non-executive directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2023 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Dr Cheo Tong Choon @ Lee Tong Choon Director	Ms Michelle Cheo Hui Ning Director

5 March 2024

Independent Auditor's Report

To the members of Mewah International Inc.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion, the accompanying consolidated financial statements of Mewah International Inc. (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with Singapore Financial Reporting Standards (International) ["SFRS(I)"] so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:
- the consolidated income statement of the Group for the financial year ended 31 December 2023;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the balance sheet of the Group as at 31 December 2023;
- the balance sheet of the Company as at 31 December 2023;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Independent Auditor's Report

To the members of Mewah International Inc. (continued)

OUR AUDIT APPROACH

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of commodities forward contracts	
At 31 December 2023, the Group has recognised the following fair values of derivative financial assets/(liabilities) as disclosed in Note 16 to the financial statements: • Commodities forward contracts included within current assets: US$9,903,000 • Commodities forward contracts included within current liabilities: US$17,993,000 As these commodities forward contracts are not traded in an active market, the related fair values are estimated using a level 2 valuation technique as described in Note 34(e) to the financial statements. We focused on the valuation of the Group's commodities forward contracts because of the critical accounting estimates involved in determining the indicative market prices which are used in the valuation of these contracts, as disclosed in Note 34(e) to the financial statements.	We held discussions with management to understand the determination of the fair values of these commodities forward contracts. With the assistance of our internal valuation specialists, we assessed the appropriateness of the level 2 valuation technique adopted by management by evaluating the appropriateness of the valuation methodology and the basis of indicative market prices used by management. We also independently verified these indicative market prices to external sources. On a sample basis, we tested management's computation of the fair values of derivative financial assets/(liabilities). Based on the work performed, we found the valuation methodology to be appropriate and the indicative market prices used by management to be within acceptable range.

Independent Auditor's Report

To the members of Mewah International Inc. (continued)

OUR AUDIT APPROACH (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of certain property, plant and equipment ("PPE") of the Group	
At 31 December 2023, management has identified indications of impairment relating to certain PPE (manufacturing plants, manufacturing plants in progress and mature plantation) with total net book values of US$40,855,000 as disclosed in Note 3(b) to the financial statements. Accordingly, an assessment of the recoverable amount of the related PPE was carried out using value-in-use calculations or fair value less cost to sell, as disclosed in Note 3(b) to the financial statements. A total impairment charge of US$4,005,000 relating to the manufacturing plant and manufacturing plant in progress was recognised in the financial statements, which resulted in the carrying amount of certain PPE being reduced to US$36,850,000 as at 31 December 2023. We focused on the impairment assessment of the PPE where indications of the impairment were identified because of the significant judgements involved in estimating the revenue, discount rate, terminal growth rate and operating margin, which are the key assumptions used in the computation of the recoverable amount of the related PPE.	We held discussions with management to understand the basis of the assumptions used. We assessed the appropriateness of the valuation methodology and key assumptions based on our knowledge of the business and industry and with involvement of our valuation specialist. We tested management's source data to supporting evidence such as available market information, historical growth trends, production capacity of other similar asset of the Group and considered the reasonableness of the cash flow projections. We evaluated management's sensitivity analysis to assess the impact on the recoverable amount of the related PPE by reasonable possible changes to the key assumptions. Based on the work performed, we found management's assessment to be appropriate.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Independent Auditor's Report

To the members of Mewah International Inc. (continued)

OTHER INFORMATION (continued)

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of financial statements in accordance with SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of financial statements that are free from material misstatement and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Independent Auditor's Report

To the members of Mewah International Inc. (continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Rebekah Khan.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 5 March 2024

Consolidated Income Statement

For the financial year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
Revenue	4	**4,123,796**	5,428,528
Cost of sales		**(3,864,724)**	(5,055,653)
Gross profit		**259,072**	372,875
Other income	5	**10,179**	6,145
Other gains/(losses) (net)			
- Impairment losses on property, plant and equipment (net)	6	**(3,784)**	(20,708)
- Others - net	6	**(23,982)**	(37,750)
(Provision)/Reversal of expected credit losses		**(2,750)**	1,597
Expenses			
- Selling and distribution		**(50,256)**	(60,460)
- Administrative		**(106,043)**	(100,479)
- Finance	9	**(27,322)**	(19,114)
Share of profit/(loss) of associated company	23	**28**	(54)
Profit before tax		**55,142**	142,052
Income tax expense	10(a)	**(16,570)**	(28,989)
Profit after tax		**38,572**	113,063
Profit/(Loss) after tax attributable to:			
Equity holders of the Company		**40,581**	113,644
Non-controlling interests		**(2,009)**	(581)
		38,572	113,063
Earnings per share attributable to equity holders of the Company (expressed in US cents per share)			
- Basic and diluted	12	**2.70**	7.57

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2023

	Note	**2023**	2022
		US$'000	US$'000
Profit after tax		**38,572**	113,063
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from foreign subsidiaries, net of tax			
- Losses		**(9,456)**	(11,086)
Other comprehensive loss, net of tax		**(9,456)**	(11,086)
Total comprehensive income, net of tax		**29,116**	101,977
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		**31,154**	102,460
Non-controlling interests		**(2,038)**	(483)
		29,116	101,977

The accompanying notes form an integral part of these financial statements.

Balance Sheet - Group

As at 31 December 2023

	Note	2023 US$'000	2022 US$'000
ASSETS			
Current assets			
Inventories	13	**435,967**	464,351
Trade receivables	14	**304,366**	499,717
Other receivables	15	**97,440**	128,967
Current income tax recoverable	11	**5,468**	874
Derivative financial instruments	16(a)	**22,952**	51,361
Cash and bank balances	17	**131,922**	102,849
		998,115	1,248,119
Non-current assets			
Intangible asset	18	**5,235**	6,000
Property, plant and equipment	19	**484,998**	440,607
Investment in associated company	23	**494**	498
Deferred income tax assets	27	**365**	779
Derivative financial instruments	16(b)	**386**	7
		491,478	447,891
Total assets		**1,489,593**	1,696,010
LIABILITIES			
Current liabilities			
Trade payables	24	**114,416**	151,527
Other payables	25	**88,996**	95,488
Contract liabilities	4(b)	**21,966**	19,660
Lease liabilities	20(e)	**739**	572
Current income tax liabilities	11	**6,330**	14,960
Derivative financial instruments	16(a)	**37,401**	55,047
Borrowings	26	**288,060**	443,259
		557,908	780,513
Non-current liabilities			
Lease liabilities	20(e)	**9,030**	8,798
Deferred income tax liabilities	27	**32,651**	34,421
Borrowings	26	**103,514**	97,520
		145,195	140,739
Total liabilities		**703,103**	921,252
NET ASSETS		**786,490**	774,758

The accompanying notes form an integral part of these financial statements.

Balance Sheet - Group

As at 31 December 2023

	Note	2023 US$'000	2022 US$'000
EQUITY			
Capital and reserves attributable to equity holders of the Company:			
Share capital	28	**1,501**	1,501
Share premium	28	**180,012**	180,012
Other reserves	29	**(58,203)**	(48,931)
Retained profits		**660,474**	637,190
		783,784	769,772
Non-controlling interests		**2,706**	4,986
Total equity		**786,490**	774,758

The accompanying notes form an integral part of these financial statements.

Balance Sheet - Company

As at 31 December 2023

	Note	2023 US$'000	2022 US$'000
ASSETS			
Current assets			
Other receivables	15	**364,736**	318,641
Cash and bank balances	17	**98**	770
		364,834	319,411
Non-current assets			
Investments in subsidiaries	22	**849**	849
Total assets		**365,683**	320,260
LIABILITIES			
Current liabilities			
Other payables	25	**246**	205
Current income tax liabilities	11	**489**	91
		735	296
Non-current liabilities			
Deferred income tax liabilities	27	**2,414**	1,363
Total liabilities		**3,149**	1,659
NET ASSETS		**362,534**	318,601
EQUITY			
Capital and reserves attributable to equity holders of the Company:			
Share capital	28	**1,501**	1,501
Share premium	28	**180,012**	180,012
Other reserves	29	**3,509**	3,509
Retained profits	30	**177,512**	133,579
Total equity		**362,534**	318,601

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes In Equity

For the financial year ended 31 December 2023

	Note	Share capital US$'000	Share premium US$'000	Capital redemption reserve US$'000	Merger reserve US$'000	General reserve US$'000	Currency translation reserve US$'000	Retained profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
		Attributable to equity holders of the Company									
2023											
Balance at 1 January 2023		**1,501**	**180,012**	**3,509**	**(53,005)**	**(308)**	**873**	**637,190**	**769,772**	**4,986**	**774,758**
Profit/(Loss) for the year		-	-	-	-	-	-	40,581	40,581	(2,009)	38,572
Other comprehensive loss for the year		-	-	-	-	-	(9,427)	-	(9,427)	(29)	(9,456)
Total comprehensive income/ (loss) for the year		**-**	**-**	**-**	**-**	**-**	**(9,427)**	**40,581**	**31,154**	**(2,038)**	**29,116**
Acquisition of non-controlling interest	29(b)(ii)	-	-	-	-	155	-	-	155	(35)	120
Dividends	31	-	-	-	-	-	-	(17,297)	(17,297)	(207)	(17,504)
Total transactions with owners, recognised directly in equity		**-**	**-**	**-**	**-**	**155**	**-**	**(17,297)**	**(17,142)**	**(242)**	**(17,384)**
Balance at 31 December 2023		**1,501**	**180,012**	**3,509**	**(53,005)**	**(153)**	**(8,554)**	**660,474**	**783,784**	**2,706**	**786,490**
2022											
Balance at 1 January 2022		**1,501**	**180,012**	**3,509**	**(53,005)**	**(1,425)**	**12,057**	**533,985**	**676,634**	**6,949**	**683,583**
Profit/(Loss) for the year		-	-	-	-	-	-	113,644	113,644	(581)	113,063
Other comprehensive (loss)/ income for the year		-	-	-	-	-	(11,184)	-	(11,184)	98	(11,086)
Total comprehensive income/ (loss) for the year		**-**	**-**	**-**	**-**	**-**	**(11,184)**	**113,644**	**102,460**	**(483)**	**101,977**
Acquisition of non-controlling interest	29(b)(ii)	-	-	-	-	1,117	-	-	1,117	(1,237)	(120)
Dividends	31	-	-	-	-	-	-	(10,439)	(10,439)	(243)	(10,682)
Total transactions with owners, recognised directly in equity		**-**	**-**	**-**	**-**	**1,117**	**-**	**(10,439)**	**(9,322)**	**(1,480)**	**(10,802)**
Balance at 31 December 2022		**1,501**	**180,012**	**3,509**	**(53,005)**	**(308)**	**873**	**637,190**	**769,772**	**4,986**	**774,758**

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2023

	Note	**2023 US$'000**	2022 US$'000
Cash flows from operating activities			
Profit after tax		**38,572**	113,063
Adjustments for:			
- Income tax expense	10(a)	**16,570**	28,989
- Depreciation of property, plant and equipment	19	**25,789**	27,182
- (Gains)/Losses on disposal of property, plant and equipment	6	**(1,174)**	251
- Property, plant and equipment written off	6	**618**	72
- Impairment loss on property, plant and equipment - net	6	**3,784**	20,708
- Impairment losses on goodwill	6	**765**	-
- Interest income	5	**(3,642)**	(2,437)
- Interest expense	9	**27,322**	19,114
- Share of (profit)/loss of associated company	23	**(28)**	54
Operating cash flows before working capital changes		**108,576**	206,996
Changes in operating assets and liabilities:			
- Inventories		**10,706**	4,794
- Trade and other receivables		**233,348**	(267,588)
- Contract liabilities		**2,306**	1,043
- Trade and other payables		**(50,306)**	(4,457)
- Derivative financial instruments		**10,176**	(9,183)
Cash flows generated from/(used in) operations		**314,806**	(68,395)
Interest received		**3,642**	2,437
Interest paid		**(27,322)**	(19,114)
Income tax paid	11	**(29,495)**	(21,302)
Net cash flows from/(used in) operating activities		**261,631**	(106,374)
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash and cash equivalents acquired	37	**(1,647)**	(5,731)
Decrease/(Increase) in advance payment of property, plant and equipment		**8,447**	(4,464)
Additions to property, plant and equipment	19	**(85,547)**	(56,036)
Proceeds from disposal of property, plant and equipment		**5,917**	161
Dividend received from associated company		**11**	-
Net cash flows used in investing activities		**(72,819)**	(66,070)
Cash flows from financing activities			
Acquisition of non-controlling interests		**-**	(120)
Decrease/(Increase) in restricted short term bank deposits		**314**	(651)
Proceeds from long term borrowings		**39,956**	58,609
Repayment of long term borrowings		**(28,596)**	(16,143)
Net (repayment of)/ proceeds from short-term borrowings		**(150,264)**	80,026
Repayment of lease liabilities		**(683)**	(508)
Dividends paid to equity holders of the Company	31	**(17,297)**	(10,439)
Dividends paid to non-controlling interests		**(207)**	(243)
Net cash flows (used in)/from financing activities		**(156,777)**	110,531
Net change in cash and cash equivalents		**32,035**	(61,913)
Cash and cash equivalents at beginning of financial year		**102,198**	171,781
Effect of changes in exchange rate on cash and cash equivalents		**(2,648)**	(7,670)
Cash and cash equivalents at end of financial year		**131,585**	102,198

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2023

	Note	**2023 US$'000**	2022 US$'000
Represented by:			
Cash and bank balances	17	**131,922**	102,849
Less: Restricted short term bank deposits		**(337)**	(651)
Cash and cash equivalents per consolidated statement of cash flows		**131,585**	102,198

Reconciliation of liabilities arising from financing activities

				Non-cash changes				
	1 January 2023	**Proceeds from borrowings**	**Principal payments**	**Acquisition arising from business combination**	**Addition during the year**	**Remeasure-ment of lease liability**	**Foreign exchange movement**	**31 December 2023**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Borrowings	**540,779**	**39,956**	**(178,860)**	**2,171**	**-**	**-**	**(12,472)**	**391,574**
Lease liabilities	**9,370**	**-**	**(683)**	**-**	**1,289**	**(217)**	**10**	**9,769**

				Non-cash changes				
	1 January 2022	**Proceeds from borrowings**	**Principal payments**	**Acquisition arising from business combination**	**Addition during the year**	**Modification of lease liability**	**Foreign exchange movement**	**31 December 2022**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Borrowings	430,168	138,635	(16,143)	-	-	-	(11,881)	540,779
Lease liabilities	6,100	-	(508)	-	-	3,816	(38)	9,370

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Mewah International Inc. (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in the Cayman Islands. The address of its registered office is Harbour Place, 2nd Floor, 103 South Church Street, P.O. Box 472, George Town, Grand Cayman, KY1-1106, Cayman Islands. The principal place of business of the Company is at 5, International Business Park, #05-00, Mewah Building, Singapore 609914.

The principal activity of the Company is that of investment holding. The principal activities of its significant subsidiaries are disclosed in Note 41 of the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2023

On 1 January 2023, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2023 (continued)

Interest Rate Benchmark Reform – Phase 2

The Group and the Company have adopted the amendments to FRS 109, FRS 107 and FRS 116 *Interest Rate Benchmark Reform – Phase 2* effective 1 January 2023. In accordance with the transition provisions, the amendments shall be applied retrospectively to financial instruments. Comparative amounts have not been restated, and there was no impact on the current period opening reserves amounts on adoption.

Financial instruments measured at amortised cost

Phase 2 of the amendments requires that, for financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by interest rate benchmark reform ("IBOR reform") are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised.

These expedients are only applicable to changes that are required by IBOR reform, which is the case if, and only if, the change is necessary as a direct consequence of IBOR reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change.

Effect of IBOR reform

Following the global financial crisis, the reform and replacement inter-bank offered rates ("IBOR") has become a priority for global regulators. The Group and the Company's risk exposure that is directly affected by the IBOR reform predominantly comprises its variable rate borrowings that are linked to the USD London Interbank Offered Rate ("USD LIBOR").

USD LIBOR ceased publication after 30 June 2023, and is replaced by Term Secured Overnight Financing Rate ("Term SOFR") and Secured Overnight Financing Rate ("SOFR"). The Group and the Company have amended its USD LIBOR linked borrowing to reference to Term SOFR and SOFR during the financial year ended 31 December 2023. The transition from USD LIBOR to Term SOFR and SOFR had no material effect on the amounts reported for the current and prior financial year.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 Revenue

(a) Sale of goods

The Group produces and sells primarily vegetable-based edible oil and fat products. Sales are recognised at a point in time when control of the products has transferred to its customer, being when the right to payment accrues, significant risks and rewards of ownership are transferred, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

(b) Shipping services

Revenue from shipping services is recognised in the accounting period in which the services are rendered.

(c) Charter income

Revenue from time charter is recognised on a straight-line basis over the period of the time charter agreement.

Revenue from voyage charter is recognised rateably over the estimated length of the voyage within the reporting period and ends in subsequent reporting period.

The Group determines the percentage of completion of voyage freight using the load-to-discharge method. Under this method, voyage revenue is recognised rateably over the period from the departure of a vessel from the port of loading to departure from the discharge port.

Demurrage is included if a claim is considered probable.

(d) Interest income

Interest income is recognised using the effective interest method.

If payments by the customers are received before the sale of goods or shipping services, a contract liability is recognised.

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(i) Consolidation (continued)

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to Note 2.25 for the subsequent accounting policy on goodwill.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.5 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in general reserve within equity attributable to the equity holders of the Company.

(c) Associated company

Associated company is an entity over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Investment in associated company is accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investment in associated company is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated company represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investment.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 Group accounting (continued)

(c) Associated company (continued)

(ii) Equity method of accounting

Under the equity method of accounting, the investment is initially recognised at cost and adjusted thereafter to recognise Group's share of its associated company's post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated company is recognised as a reduction of the carrying amount of the investment. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated company are eliminated to the extent of the Group's interest in the associated company. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the assets transferred. The accounting policies of associated company are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investment in associated company is derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to Note 2.5 for the accounting policy on investment in associated company in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

All property, plant and equipment including mature plants are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Property, plant and equipment (continued)

(a) Measurement (continued)

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Mature plants are living plants used in the production or supply of agricultural produce that are expected to bear produce for more than one period; covering activities that are necessary to cultivate the mature plants before they are in the location and condition necessary to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.7 on borrowing costs).

(b) Depreciation

Freehold land and capital expenditure in progress (including immature plants) are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Freehold buildings	2%
Leasehold land and buildings	1% to 3% (Over the period of leases)
Plant and equipment	2% to 5%
Furniture, fixtures and office equipment	5% to 20%
Motor vehicles	20%
Vessels	4%
Mature plants	5%

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains/(losses) (net) – other losses (net)".

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5 Investments in subsidiaries and associated company

Investments in subsidiaries and associated company are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.6 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Property, plant and equipment
Investments in subsidiaries and associated company

Property, plant and equipment and investments in subsidiaries and associated company are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6 Impairment of non-financial assets (continued)

(b) Property, plant and equipment
Investments in subsidiaries and associated company (continued)

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures of qualifying assets that are financed by general borrowings.

2.8 Financial assets

(a) Classification and measurement

The Group classifies its financial assets excluding derivative financial instruments as financial assets at amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.8 Financial assets (continued)

(a) Classification and measurement (continued)

Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

At subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and bank balances, and trade and other receivables.

Financial assets of the Group are subsequently measured as follows:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.8 Financial assets (continued)

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(d) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.9 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

(a) amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss allowance computed using the impairment methodology under SFRS(I) 9.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.10 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.11 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Trade payables settled via electronic cash transfer are derecognised when the Group has no ability to withdraw, stop or cancel the payment, has lost the practical ability to access the cash as a result of the electronic instructions, and the risk of a settlement not occurring is insignificant.

2.12 Derivative financial instruments

Derivative financial instruments comprise mainly of crude palm oil and palm oil products forward contracts, futures contracts and currency forward contracts.

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss within “cost of sales” when the changes arise.

Derivative financial instruments are reported in the financial statements on a net basis where legal right of setoff exists. Derivative financial instruments are carried as assets when fair value is positive and as liabilities when fair value is negative.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.13 Fair value estimation of financial assets and liabilities

The Group's commodities futures contracts are traded in active markets and their fair values take into consideration quoted prices at the balance sheet date in active markets such as Bursa Malaysia.

The Group's commodities forward contracts are not traded in an active market and hence their fair values are estimated using a valuation technique as described in Note 34(e).

The fair values of currency forward contracts are determined using actively quoted forward exchange rates.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.14 Leases

(a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

  Right-of-use assets are presented within "Property, plant and equipment".

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.14 Leases (continued)

(a) When the Group is the lessee: (continued)

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.14 Leases (continued)

(a) When the Group is the lessee: (continued)

- Short term and low value leases

  The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(b) When the Group is the lessor:

The Group leases office space under operating leases to related and non-related parties.

- Lessor – Operating leases

  Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

  Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

  Contingent rents are recognised as income in profit or loss when earned.

2.15 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on the weighted average basis. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.16 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated company, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits similar to accounting for other tax credits where a deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.17 Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.18 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.19 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in United States Dollar ("US$") ("presentation currency"), which is the functional currency of the Company.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.19 Currency translation (continued)

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets, contract assets and financial liabilities.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses are presented in the income statement within "other (losses)/gains".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Management Committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.21 Cash and bank balances

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.22 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share premium account.

2.23 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.24 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are presented on the balance sheet under other payables as deferred income.

2.25 Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Valuation of commodities forward contracts

The Group is exposed to fluctuations in the prices of agri-commodities it deals in, including crude palm oil and palm oil products. The Group minimises the risk arising from such fluctuations by entering into commodities forward contracts and futures contracts (Note 16). As the Group has not adopted hedge accounting, the fair value changes on these derivative financial instruments are recognised in the profit or loss when the changes arise.

The Group's commodities forward contracts are not traded in an active market and hence their fair values are estimated using a valuation technique as described in Note 34(e).

If the commodities forward prices had been higher or lower by 5% from the management's estimates and other variables remain constant, the Group's profit after tax would have been lower or higher by US$15,970,000 (2022: US$11,218,000) respectively, arising from the changes in the fair value of the commodities forward contracts.

(b) Impairment assessment of the Group's property, plant and equipment

Property, plant and equipment ("PPE") is tested for impairment whenever there are indications that these assets may be impaired. Management performs reviews to determine whether there are any indications of impairment in relation to the PPE held by the Group.

At 31 December 2023, management has identified indications of impairment relating to manufacturing plants, manufacturing plants in progress and mature plantation of the Group. The net book value of the PPE relating to the manufacturing plants, manufacturing plant in progress and the mature plantation that was recognised on the balance sheet amounted to approximately US$37,126,000, US$3,729,000 and US$Nil as at 31 December 2023 respectively.

The recoverable amounts of the identified PPE are determined based on the value-in-use calculations or fair value less cost to sell. The value-in-use calculations are based on a discounted cash flow model and requires the Group to make an estimate of the expected future cash flows from the continuing use of the PPE. The fair value less cost to sell is determined based on the Group's experience with disposal of assets using level 3 in the fair value hierarchy due to unobserved inputs.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(b) *Impairment assessment of the Group's property, plant and equipment* (continued)

The key assumptions used in the value-in-use calculation that were subject to critical accounting estimates were relating to the estimation of the revenue, discount rate, terminal growth rate and operating margin as follows:

PPE	Manufacturing plants	Manufacturing plant in progress	Mature plantation
Revenue	Growth rate 0%	Utilisation growth rate 14% to 23%	Yield/Hectarage growth rate 3.0 to 4.3
Operating margin growth	0% to 0.3%	1%	1.5% to 4.0%
Discount rate (pre-tax)	11.0%	11.8%	12.9%
Terminal growth rate	3.2%	3.1%	5.0%

Operating margin is calculated as revenue, less cost of sales (excluding depreciation), selling and distribution expenses and foreign exchange gains/(losses).

As the recoverable amount determined by management is less than the net book value of the PPE, the Group has recognised an impairment charge during the financial year amounting to US$466,000 and US$3,539,000 in relation to the manufacturing plant and manufacturing plants in progress respectively.

A reasonable possible change to any of the individual key assumptions as compared to management's estimates as listed above would have increased or decreased the impairment charge on the manufacturing plants and the Group's profit for the financial year ended 31 December 2023 as follows:

Manufacturing plants

Key assumptions	Change applied to management's estimate	Impact to impairment charge on PPE for the financial year ended 31 December 2023 (increase) US$'000	Change applied to management's estimate	Impact to impairment charge on PPE for the financial year ended 31 December 2023 (increase) US$'000
Operating margin growth rate	0.2%	*	(0.2%)	*
Discount rate	4%	1,300	(4%)	*
Terminal growth rate	3.2%	*	(3.2%)	*

* No impairment charge was recognised in relation to the PPE during the current financial year.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(b) Impairment assessment of the Group's property, plant and equipment (continued)

Manufacturing plants in progress

A reasonable possible change to any of the individual key assumptions as compared to management's estimates as listed above would not have a material impact on the manufacturing plant in progress and mature plantation and the Group's profit for the financial year ended 31 December 2023.

(c) Purchase price allocation for acquisition of business

The acquisitions disclosed in Notes 37(a) and 37(b) to the financial statements are accounted for as business combinations which requires the identifiable assets and liabilities to be recognised at fair value at the date of acquisition, with the excess of the acquisition cost over the identified fair values to be recognised as goodwill.

The assets and liabilities are identified and valued through a purchase price allocation. In assessing the identifiable assets acquired, consideration was given to whether potential intangible assets were acquired as part of the acquisition and management has assessed that no intangible assets were acquired.

In assessing the fair valuation of the identifiable assets acquired, management had engaged an external professional firm to perform the fair valuation of the property, plant and equipment acquired. The purchase price allocation is subject to a significant degree of judgement and critical accounting estimates required in the identification and fair valuation of the assets acquired and liabilities assumed.

Further details are disclosed in Notes 37(a) and 37(b) to the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2023

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines.

	Group		
	At a point in time	**Over time**	**Total**
	US$'000	US$'000	US$'000
2023			
Sale of vegetable oil products and bioenergy products in bulk	2,847,473	-	2,847,473
Sale of consumer products including edible oils and fats, dairy, soap and rice in consumer packs	1,193,859	-	1,193,859
Shipping services*	-	74,880	74,880
Charter income	-	7,584	7,584
Total	**4,041,332**	**82,464**	**4,123,796**
2022			
Sale of vegetable oil products and bioenergy products in bulk	3,995,642	-	3,995,642
Sale of consumer products including edible oils and fats, dairy, soap and rice in consumer packs	1,294,184	-	1,294,184
Shipping services*	-	132,110	132,110
Charter income	-	6,592	6,592
Total	**5,289,826**	**138,702**	**5,428,528**

* Shipping services relate to revenue earned arising from the delivery of products sold to customers.

Included in the sale of vegetable oil products in bulk is the subsidy received from the Malaysian government under the cooking oil price stabilisation scheme amounting to US$49,574,000 (2022: US$85,326,000).

Notes to the Financial Statements

For the financial year ended 31 December 2023

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

(b) Contract liabilities

	Group		
	31 December		1 January
	2023	2022	2022
	US$'000	US$'000	US$'000
Contract liabilities			
- Sale of goods contracts and shipping services	**21,966**	19,660	18,617
Total contract liabilities	**21,966**	19,660	18,617

(i) Revenue recognised in relation to contract liabilities

	Group	
	2023	2022
	US$'000	US$'000
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period		
- Sale of goods contracts and shipping services	**14,502**	14,660

(ii) Unsatisfied performance obligations

As permitted under SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less is not disclosed.

(c) Trade receivables from contracts with customers

	Group		
	31 December		1 January
	2023	2022	2022
	US$'000	US$'000	US$'000
Trade receivables from contracts with customers	**313,515**	509,095	268,823
Less: Allowance for expected credit losses	**(9,149)**	(9,378)	(15,356)
Trade receivables (net)	**304,366**	499,717	253,467

Notes to the Financial Statements

For the financial year ended 31 December 2023

5. OTHER INCOME

	Group	
	2023	2022
	US$'000	US$'000
Interest income on bank deposits and others	**1,483**	991
Late interest charged on trade receivables	**2,159**	1,446
	3,642	2,437
Rental income	**319**	309
Commission income	**1**	1
Insurance claims	**3,370**	1,493
Other miscellaneous income	**2,847**	1,905
	10,179	6,145

Other miscellaneous income mainly comprises sales of scrap and waste.

6. OTHER GAINS/(LOSSES) (NET)

	Group	
	2023	2022
	US$'000	US$'000
Impairment losses on property, plant and equipment - net (Note 19)	**(3,784)**	(20,708)
Others		
- Foreign exchange losses – net	**(24,137)**	(33,789)
- Reversal/(Loss) of allowance on other receivables	**251**	(3,637)
- Gains/(Losses) on disposal of property, plant and equipment	**1,174**	(251)
- Property, plant and equipment written off	**(618)**	(72)
- Impairment losses on goodwill	**(765)**	-
- Reversal of provision for legal claim	**205**	-
- Others	**(92)**	(1)
	(23,982)	(37,750)

In the current financial year, the Group carried out a review of the recoverable amount of certain property, plant and equipment at 31 December 2023 and assessed that there are indications of impairment loss. Accordingly, the management of the Group had estimated the recoverable amount of these property, plant and equipment at 31 December 2023 and recorded an impairment loss of US$4,005,000 (Note 3(b)) (2022: US$22,132,000) in the consolidated income statement for the financial year ended 31 December 2023.

Notes to the Financial Statements

For the financial year ended 31 December 2023

7. EXPENSES BY NATURE

	Group	
	2023	2022
	US$'000	US$'000
Purchases of inventories	**3,703,585**	4,895,893
Changes in inventories	**11,379**	(262)
Gains from derivative financial instruments	**(1,495)**	(49,417)
Freight charges	**65,486**	125,397
Consultation fees	**4,179**	3,866
Transportation	**26,739**	26,489
Export duties	**8,652**	19,599
Insurance	**10,234**	8,484
Utilities	**19,520**	16,293
Rental on leases	**3,569**	2,854
Repair and maintenance	**11,883**	10,434
Employee compensation (Note 8)	**94,167**	82,527
Depreciation of property, plant and equipment (Note 19)	**25,789**	27,182
Bank charges	**3,183**	4,683
(Reversal of inventories written down)/Inventories written down	**(673)**	5,056
Audit fees		
- Auditors of the Company	**485**	437
- Other auditors*	**442**	316
Non-audit fees		
- Auditors of the Company	**88**	84
- Other auditors*	**212**	173
Others	**33,599**	36,504
Total cost of sales, selling and distribution and administrative expenses	**4,021,023**	5,216,592

* Includes the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

For the financial year ended 31 December 2023, the reversal of inventories written down mainly relate to inventories previously written down that were sold above their carrying amounts.

For the financial year ended 31 December 2022, the inventories written down mainly relate to inventories which were slow-moving.

Notes to the Financial Statements

For the financial year ended 31 December 2023

8. EMPLOYEE COMPENSATION

	Group	
	2023	2022
	US$'000	US$'000
Wages and Salaries	**83,479**	73,760
Employer's contributions to defined contribution plans	**6,447**	5,735
Other staff benefits	**4,241**	3,032
	94,167	82,527

9. FINANCE EXPENSES

	Group	
	2023	2022
	US$'000	US$'000
Interest expenses:		
- Bank borrowings	**26,600**	18,748
- Lease liabilities	**722**	366
	27,322	19,114

Notes to the Financial Statements

For the financial year ended 31 December 2023

10. INCOME TAXES

(a) Income tax expense

	Group	
	2023	2022
	US$'000	US$'000
Tax expense attributable to profit was made up of:		
Current income tax		
- Singapore	**1,979**	4,529
- Foreign	**14,214**	24,717
	16,193	29,246
Deferred income tax (credit)/expense	**(219)**	1,470
	15,974	30,716
Under/(Over) provision in prior financial years		
- Current income tax (Note 11)	**383**	(546)
- Deferred income tax	**213**	(1,181)
	596	(1,727)
Income tax expense	**16,570**	28,989

Notes to the Financial Statements

For the financial year ended 31 December 2023

10. INCOME TAXES (continued)

(a) ***Income tax expense*** (continued)

The income tax on the Group's profit before tax differs from the theoretical amount that would arise using the domestic rates of income tax as explained below:

	Group	
	2023	2022
	US$'000	US$'000
Profit before tax	**55,142**	142,052
Tax calculated at domestic rates applicable to profits in the respective countries	**12,836**	34,351
Effects of:		
- Tax incentives	**(1,302)**	(8,058)
- Expenses not deductible for tax purposes	**8,149**	7,778
- Income not subject to tax	**(1,454)**	(347)
- Deferred tax benefits not recognised	**1,481**	-
- Utilisation of previously unrecognised capital allowance/tax losses	**(3,878)**	(3,137)
- Under/(Over) provision of tax in prior financial years	**596**	(1,727)
- Others	**142**	129
	16,570	28,989

Singapore and Malaysia, two of the Group's main tax jurisdictions, had headline corporate tax rates of 17% and 24% (2022: 17% and 24%) respectively. The Group enjoys certain tax incentives such as concessionary tax rate in Singapore, and Malaysia.

Under/(Over) provision in prior financial years

For the financial year ended 31 December 2023 and 2022, the under/(over) provision of current income tax in respect of prior financial years mainly relates to the final tax outcome being different from the amounts that were originally estimated for capital allowances, incentives and the deductibility of certain expenses in the various tax jurisdictions.

Notes to the Financial Statements

For the financial year ended 31 December 2023

10. INCOME TAXES (continued)

(b) OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules. In the Singapore 2023 Budget Statement, the Singapore government has announced that the country would implement the Global Anti-Base Erosion ("GloBE") rules including a domestic top-up tax ("DTT") from 1 January 2025. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure.

As the Group enjoys certain concessionary tax rates in Singapore and Malaysia, the Group might be liable to pay a top-up tax for the difference between the GloBE effective tax rate for each jurisdiction up to the minimum rate of 15%. Since the legislation was not effective at the reporting date, the Group will assess the potential full impact in the future reporting period depending on the applicable tax rates thereupon.

11. CURRENT INCOME TAXES LIABILITIES

	Group		Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Beginning of the year	**(14,086)**	(6,916)	**(91)**	(110)
Currency translation differences	**305**	228	**(10)**	(1)
Income tax paid	**29,495**	21,302	**1,638**	490
Tax expense (Note 10)	**(16,193)**	(29,246)	**(1,932)**	(483)
(Under)/Over provision in prior financial years (Note 10)	**(383)**	546	**(94)**	13
End of the financial year	**(862)**	(14,086)	**(489)**	(91)
Represented by:				
At 31 December				
- Current income tax recoverable	**5,468**	874	**-**	-
- Current income tax liabilities	**(6,330)**	(14,960)	**(489)**	(91)

Notes to the Financial Statements

For the financial year ended 31 December 2023

12. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2023	2022
Net profit attributable to equity holders of the Company (US$'000)	**40,581**	113,644
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**1,500,667**	1,500,667
Basic earnings per share (US cents per share)	**2.70**	7.57

Diluted earnings per share was the same as the basic earnings per share for the financial years ended 31 December 2023 and 2022 as there were no potential dilutive ordinary shares outstanding.

13. INVENTORIES

	Group	
	2023	2022
	US$'000	US$'000
Raw materials	**140,667**	167,197
Finished goods	**284,914**	286,650
Stores, spares and consumables	**10,386**	10,504
	435,967	464,351

The cost of inventories recognised as an expense and included in "cost of sales" amounts to US$3,714,291,000 (2022: US$4,900,687,000).

As at 31 December 2023, bank borrowings (Note 26) are secured on inventories of the Group with carrying amounts of US$6,844,000 (2022: US$Nil).

Notes to the Financial Statements

For the financial year ended 31 December 2023

14. TRADE RECEIVABLES

	Group	
	2023	2022
	US$'000	US$'000
Trade receivables		
- Related parties [Note 35(a)]	**12,533**	15,764
- Non-related parties	**300,982**	493,331
	313,515	509,095
Less: Allowance for expected credit losses		
- Non-related parties [Note 34(b)]	**(9,149)**	(9,378)
Trade receivables - net	**304,366**	499,717

15. OTHER RECEIVABLES

	Group		Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Loans to subsidiaries	**-**	-	**444,304**	394,450
Less: Allowance for expected credit losses	**-**	-	**(80,583)**	(75,819)
	-	-	**363,721**	318,631
Non-trade receivables				
- Related parties [Note 35(a)]	**1**	50	**-**	-
- Non-related parties	**26,995**	27,644	**-**	-
	26,996	27,694	**-**	-
Dividend receivables from a subsidiary	**-**	-	**1,000**	-
Deposits	**35,809**	59,436	**-**	-
Prepayments	**34,635**	41,837	**15**	10
	97,440	128,967	**364,736**	318,641

Notes to the Financial Statements

For the financial year ended 31 December 2023

15. OTHER RECEIVABLES (continued)

Group

As at 31 December 2023, non-trade receivables included US$9,340,000 (2022: US$5,701,000) refundable Goods and Service Tax, and US$8,351,000 (2022: US$11,882,000) relating to subsidy receivable for cooking oil price stabilisation scheme.

As at 31 December 2023, deposits included US$35,169,000 (2022: US$58,634,000) paid to Bursa Malaysia Derivatives Clearing Bhd for commodity trading initial and variation margin payment.

As at 31 December 2023, prepayments included US$5,627,000 (2022: US$15,089,000) for capital expenditure and US$19,094,000 (2022: US$20,932,000) for purchase of raw materials.

Company

Loans to subsidiaries amounting to US$398,530,000 (2022: US$392,058,000) are unsecured, bear interests from 3.0% to 9.2% (2022: 0.1% to 6.6%) per annum and repayable on demand. The remaining amounts are unsecured, non-interest bearing and repayable on demand.

16. DERIVATIVE FINANCIAL INSTRUMENTS

Currency forward contracts are entered into by the Group to manage exposure to fluctuations in foreign currency exchange rates.

The Group enters into commodities forward contracts and futures contracts to protect the Group from movements in market prices, primarily in crude palm oil and palm oil products by establishing the price at which the products will be sold or purchased.

(a) Current portion

	Contract notional amount	Group Fair values	
		Asset	**Liability**
	US$'000	US$'000	US$'000
31 December 2023			
Currency forward contracts [Note 34(e)]	**1,014,030**	13,049	(7,196)
Commodities forward contracts [Note 34(e)]	**743,122**	9,903	(17,993)
Futures contracts on commodity exchange [Note 34(e)]	**876,805**	-	(12,212)
Total		**22,952**	**(37,401)**

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For the financial year ended 31 December 2023

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Current portion (continued)

	Contract notional amount	Group Fair values	
		Asset	Liability
	US$'000	US$'000	US$'000
31 December 2022			
Currency forward contracts [Note 34(e)]	881,672	8,793	(10,605)
Commodities forward contracts [Note 34(e)]	997,767	42,568	(27,194)
Futures contracts on commodity exchange [Note 34(e)]	630,909	-	(17,248)
Total		51,361	(55,047)

(b) Non-current portion

	Contract notional amount	Group Fair values	
		Asset	Liability
	US$'000	US$'000	US$'000
31 December 2023			
Futures contracts on commodity exchange [Note 34(e)]	**11,159**	**386**	**-**
31 December 2022			
Futures contracts on commodity exchange [Note 34(e)]	394	7	-

17. CASH AND BANK BALANCES

	Group		Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Cash at bank and on hand	**128,002**	100,106	**94**	766
Short-term bank deposits	**3,920**	2,743	**4**	4
	131,922	102,849	**98**	770

Notes to the Financial Statements

For the financial year ended 31 December 2023

17. CASH AND BANK BALANCES (continued)

For the purposes of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2023	2022
	US$'000	US$'000
Cash and bank balances (as above)	**131,922**	102,849
Less: Restricted short term bank deposits	**(337)**	(651)
Cash and cash equivalents per consolidated statement of cash flows	**131,585**	102,198

Please refer to Note 37 for the effects of acquisition of subsidiaries in the cash flow of the Group.

Restricted short term bank deposits are pledged as security for certain product license.

18. INTANGIBLE ASSET

	Group	
	2023	2022
	US$'000	US$'000
Goodwill arising from acquisition of subsidiaries		
Beginning of financial year	**6,000**	4,473
Acquisition of a subsidiary	**-**	1,527
Impairment losses	**(765)**	-
End of financial year	**5,235**	6,000

In the current financial year, the Group completed the acquisition of 100% of the issued equity of PT Kencana Inti Perkasa ("PTKIP"), an Indonesian company which owns and operates facilities in palm oil business, from non-related parties, through its wholly owned subsidiaries, PT Agro Perkasa, a company incorporated in Indonesia and Cavenagh Oleo (S) Pte Ltd, a company incorporated in Singapore for a total purchase consideration of US$1,647,000.

In the previous financial year, the Group completed the acquisition of 100% of the issued equity of PT Simpang Kanan Lestarindo ("PTSKL"), an Indonesian company which owns and operates facilities in palm oil business, from non-related parties, through its wholly owned subsidiaries, PT Agro Perkasa, a company incorporated in Indonesia and Cavenagh Oleo (S) Pte Ltd, a company incorporated in Singapore for a total purchase consideration of US$5,731,000.

During the financial year, the Group has finalised the fair values of the identified assets acquired and liabilities assumed for the acquisition of PTSKL and PTKIP. Further details are disclosed in Note 37 to the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2023

18. INTANGIBLE ASSET (continued)

Impairment tests for goodwill

Goodwill arising from business combinations have been allocated to the respective cash-generating units ("CGUs"). The carrying amount of goodwill allocated to each CGU are as follows:

	Bulk 1	Bulk 2	Consumer Pack	Total
	US$'000	US$'000	US$'000	US$'000
2023				
Goodwill	**205**	**1,527**	**3,503**	**5,235**
2022				
Goodwill	970	1,527	3,503	6,000

The recoverable amount of the CGUs was determined based on its value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. The discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period are as follows:

	2023	2022
Discount rate (pre-tax)	**10.1% to 12.9%**	12.9%
Terminal growth rate	**4.0% to 5.0%**	5.1%

The terminal growth rate used is consistent with the forecast included in industry reports and did not exceed the long-term average growth rate for the business in which the CGUs operates. The discount rate used was pre-tax and reflected specific risks relevant to the CGUs.

Based on the recoverable amounts determined by management, the Group has recognised an impairment charge during the financial year amounting to US$765,000 (31 December 2022: US$Nil).

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For the financial year ended 31 December 2023

19. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings US$'000	Leasehold land and buildings US$'000	Plant and equipment US$'000	Furniture, fixtures and office equipment US$'000	Motor vehicles US$'000	Vessels US$'000	Mature plants US$'000	Capital expenditure in progress US$'000	Total US$'000
Group									
2023									
Cost									
Beginning of financial year	26,154	152,313	425,928	24,825	9,631	13,401	9,881	84,571	746,704
Currency translation differences	(1,121)	(2,707)	(16,920)	(436)	(109)	-	444	(1,986)	(22,835)
Additions	6	2,415	5,372	1,933	1,147	131	-	74,543	85,547
Acquisition of a subsidiary (Note 37)	-	3,226	3,361	45	126	-	-	-	6,758
Additions - Right-of-use assets	-	1,253	-	-	36	-	-	-	1,289
Remeasurement of lease liability	-	(217)	-	-	-	-	-	-	(217)
Disposals	-	(296)	(494)	(187)	(262)	(5,549)	-	-	(6,788)
Write off	-	-	(195)	(40)	(23)	-	-	(486)	(744)
Reclassification	752	2,144	25,459	33	-	(130)	-	(28,258)	-
End of financial year	25,791	158,131	442,511	26,173	10,546	7,853	10,325	128,384	809,714
Accumulated depreciation									
Beginning of financial year	3,999	35,446	183,369	18,740	6,697	4,220	1,008	-	253,479
Currency translation differences	(167)	(797)	(7,433)	(326)	(85)	-	25	-	(8,783)
Depreciation charge (Note 7)	579	3,100	18,211	1,695	1,127	951	126	-	25,789
Disposals	-	(66)	(291)	(180)	(264)	(1,244)	-	-	(2,045)
Write off	-	-	(65)	(38)	(23)	-	-	-	(126)
Reclassification	-	-	30	(30)	-	-	-	-	-
End of financial year	4,411	37,683	193,821	19,861	7,452	3,927	1,159	-	268,314
Accumulated impairment losses									
Beginning of financial year	-	18,579	45	247	66	-	6,815	26,866	52,618
Impairment losses (net) (Note 6)	-	(27)	272	-	-	-	-	3,539	3,784
End of financial year	-	18,552	317	247	66	-	6,815	30,405	56,402
Net book value									
End of financial year	**21,380**	**101,896**	**248,373**	**6,065**	**3,028**	**3,926**	**2,351**	**97,979**	**484,998**

Notes to the Financial Statements

For the financial year ended 31 December 2023

19. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land and buildings US$'000	Leasehold land and buildings US$'000	Plant and equipment US$'000	Furniture, fixtures and office equipment US$'000	Motor vehicles US$'000	Vessels US$'000	Mature plants US$'000	Capital expenditure in progress US$'000	Total US$'000
Group									
2022									
Cost									
Beginning of financial year	24,059	150,086	435,883	24,967	9,190	12,390	12,957	52,715	722,247
Currency translation differences	(1,226)	(6,839)	(23,175)	(857)	(345)	-	(2,018)	(674)	(35,134)
Additions	3,230	2,048	7,247	2,000	675	1,814	-	39,022	56,036
Acquisition of a subsidiary (Note 37)	-	1,282	3,938	-	2	-	-	-	5,222
Remeasurement of lease liability	-	3,399	-	-	417	-	-	-	3,816
Disposals	-	(99)	(1,350)	(332)	(260)	-	-	-	(2,041)
Write off	-	(897)	(659)	(621)	(48)	(1,217)	-	-	(3,442)
Reclassification	91	3,333	4,044	(332)	-	414	(1,058)	(6,492)	-
End of financial year	26,154	152,313	425,928	24,825	9,631	13,401	9,881	84,571	746,704
Accumulated depreciation									
Beginning of financial year	3,633	34,732	174,753	18,806	5,974	4,022	472	-	242,392
Currency translation differences	(189)	(1,408)	(8,622)	(537)	(198)	-	(142)	-	(11,096)
Depreciation charge (Note 7)	555	3,117	18,715	1,503	1,199	1,415	678	-	27,182
Disposals	-	(99)	(947)	(323)	(260)	-	-	-	(1,629)
Write off	-	(896)	(619)	(620)	(18)	(1,217)	-	-	(3,370)
Reclassification	-	-	89	(89)	-	-	-	-	-
End of financial year	3,999	35,446	183,369	18,740	6,697	4,220	1,008	-	253,479
Accumulated impairment losses									
Beginning of financial year	-	1,261	69	247	66	-	2,816	27,451	31,910
Impairment losses (Note 6)	-	17,318	(24)	-	-	-	3,999	(585)	20,708
End of financial year	-	18,579	45	247	66	-	6,815	26,866	52,618
Net book value									
End of financial year	22,155	98,288	242,514	5,838	2,868	9,181	2,058	57,705	440,607

Notes to the Financial Statements

For the financial year ended 31 December 2023

19. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Right-of-use ("ROU") assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 20(a).

(b) As at 31 December 2023, bank borrowings (Note 26) are secured on property, plant and equipment of the Group with carrying amounts of US$329,105,000 (2022: US$210,436,000).

(c) Interest capitalised within capital expenditure in progress amounted to US$194,000 (2022: US$449,000) for the financial year ended 31 December 2023. Finance expenses were capitalised at interest rates ranging from 6.4% to 7.6% per annum (2022: 5.5% per annum).

20. LEASES – THE GROUP AS A LESSEE

Nature of the Group's leasing activities

Property

The Group leases office space, warehouse for the purpose of back office operations, refining and selling vegetable oil products and dairy-based products.

Leasehold land

The Group makes monthly lease payments for leasehold land. The right-of-use of the land is recognised within property, plant and equipment (Note 19).

There is no externally imposed covenant on these lease arrangements.

Equipment and vehicles

The Group leases motor vehicles and equipment to render logistic services. The lease arrangements prohibit the Group from subleasing the equipment to third parties.

(a) Carrying amounts

ROU assets classified within Property, plant and equipment

	2023 US$'000	2022 US$'000
Group		
Leasehold land and buildings	**56,912**	69,063
Motor vehicles	**185**	321
Total	**57,097**	69,384

Notes to the Financial Statements

For the financial year ended 31 December 2023

20. LEASES – THE GROUP AS A LESSEE (continued)

(b) Depreciation charge during the year

	2023	2022
	US$'000	US$'000
Group		
Leasehold land and buildings	**1,918**	2,216
Plant and equipment	**-**	10
Motor vehicles	**172**	100
Total	**2,090**	2,326

(c) Interest expense

	2023	2022
	US$'000	US$'000
Group		
Interest expense on lease liabilities (Note 9)	**722**	366

(d) Lease expense not capitalised in lease liabilities

	2023	2022
	US$'000	US$'000
Group		
Lease expense – short-term leases	**2,379**	1,786
Lease expense – low-value leases	**1,190**	1,068
Total (Note 7)	**3,569**	2,854

(e) Lease liabilities

	2023	2022
	US$'000	US$'000
Group		
Current		
Lease liabilities	**739**	572
Non-current		
Lease liabilities	**9,030**	8,798

Notes to the Financial Statements

For the financial year ended 31 December 2023

20. LEASES – THE GROUP AS A LESSEE (continued)

(f) Total cash outflow for all the leases in 2023 was US$4,974,000 (2022: US$3,728,000).

(g) Addition of ROU assets during the financial year 2023 was US$3,506,000 (2022: US$4,363,000).

During the financial year, addition of ROU assets which were financed by lease liability and prepayment were US$1,289,000 (2022: US$Nil) (Note 19) and US$2,217,000 (2022: US$4,363,000) respectively.

(h) Future cash outflow which are not capitalised in lease liabilities:

Extension options

i. Extension option exercisable by the Group

The lease for certain asset contains extension period, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise the extension option. The Group negotiates extension option to optimise operational flexibility in terms of managing the assets used in the Group's operations. The extension option is exercisable by the Group and not by the lessor.

ii. Extension option subject to terms and conditions

The lease for certain asset contains extension period, for which the related lease payments had not been included in lease liabilities as the option to extend is subject to the approval of the lessor.

21. LEASES – THE GROUP AS A LESSOR

Nature of the Group's leasing activities – Group as a lessor

The Group has leased out office space to non-related parties for monthly lease payments. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from leasing of office space is disclosed in Note 5.

Maturity analysis of lease payments – Group as a lessor

The table below discloses the undiscounted lease payments to be received by the Group for its leases after the reporting date as follows:

	2023	2022
	US$'000	US$'000
Less than one year	**165**	140
One to two years	**139**	-
Total undiscounted lease payment	**304**	140

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For the financial year ended 31 December 2023

22. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023	2022
	US$'000	US$'000
Equity investments at cost		
Beginning and end of financial year	**849**	849

Details of the significant subsidiaries are included in Note 41. There are no subsidiaries with non-controlling interest that are material to the Group as at 31 December 2023 and 2022.

23. INVESTMENT IN ASSOCIATED COMPANY

	Group	
	2023	2022
	US$'000	US$'000
Equity investment at cost		
Beginning of financial year	**498**	582
Share of profit/(losses)	**28**	(54)
Dividends	**(11)**	-
Currency translation differences	**(21)**	(30)
End of financial year	**494**	498

The summarised financial information of the associated company, not adjusted for the proportion ownership interest held by the Group, was as follows:

	Group	
	2023	2022
	US$'000	US$'000
Assets	**1,357**	1,399
Liabilities	**(349)**	(383)
Carrying value of associated company	**1,008**	1,016
Effective interest of the Group in associated company	**49%**	49%
Carrying value of group's interest in associated company	**494**	498

Notes to the Financial Statements

For the financial year ended 31 December 2023

23. INVESTMENT IN ASSOCIATED COMPANY (continued)

	Group	
	2023	2022
	US$'000	US$'000
Revenue	**3,694**	3,896
Net profit/(loss)	**58**	(111)
Effective interest of the Group in associated company	**49%**	49%
Share of profit/(loss) of associated company	**28**	(54)
Dividends received from associate	**11**	-

In the opinion of management, the associated company is not material to the Group.

24. TRADE PAYABLES

	Group	
	2023	2022
	US$'000	US$'000
Trade payables		
- Related parties [Note 35(a)]	**159**	336
- Non-related parties	**114,257**	151,191
	114,416	151,527

25. OTHER PAYABLES

	Group		Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Non-trade payables				
- Associated company	**780**	955	**-**	-
- Non-related parties	**43,390**	42,865	**-**	-
	44,170	43,820	**-**	-
Deferred income	**4,775**	10,367	**-**	-
Accrual for operating expenses	**39,553**	36,577	**246**	205
Provision for legal claim	**498**	4,724	**-**	-
	88,996	95,488	**246**	205

Notes to the Financial Statements

For the financial year ended 31 December 2023

25. OTHER PAYABLES (continued)

Non-trade amounts due to associated company and related parties relate mainly to forwarding services and rental of premises, and are unsecured, interest-free and repayable on demand.

In the previous financial year, provision for legal claim amounting to US$4,200,000 mainly relates to a legal claim in relation to certain project construction contractual disputes between its wholly-owned subsidiary, and a contractor.

In the current financial year, the legal claim was fully settled and the remaining provision in respect of the above claim, of US$205,000 (Note 6) was written back.

26. BORROWINGS

	Group	
	2023	2022
	US$'000	US$'000
Current		
Bank borrowings:		
- Trade financing	**249,787**	415,156
- Revolving credit	**9,767**	1,589
- Hire purchase	**504**	498
- Term loans	**28,002**	26,016
	288,060	443,259
Non-current		
Bank borrowings:		
- Hire purchase	**938**	1,509
- Term loans	**102,576**	96,011
	103,514	97,520
Total borrowings	**391,574**	540,779

(a) Securities granted

Total borrowings include secured liabilities of US$126,885,000 (2022: US$107,962,000). The borrowings of the Group are secured by certain inventories as disclosed in Note 13 and property, plant and equipment as disclosed in Note 19(b).

(b) Fair value of non-current borrowings

The fair value of non-current borrowings approximated the carrying value of the non-current borrowings at the balance sheet date as they bear interests at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements, which management expects to be available to the Group.

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27. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The amounts, determined after appropriate offsetting, were shown on the balance sheet as follows:

	Group		Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Deferred income tax assets	**365**	779	**-**	-
Deferred income tax liabilities	**(32,651)**	(34,421)	**(2,414)**	(1,363)

Movement in the net deferred income tax account is as follows:

	Group		Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Beginning of financial year	**(33,642)**	(35,026)	**(1,363)**	(1,731)
Currency translation differences	**1,350**	1,673	**-**	-
Tax (charged)/credited to				
- Profit or loss	**6**	(289)	**(1,051)**	368
End of financial year	**(32,286)**	(33,642)	**(2,414)**	(1,363)

Notes to the Financial Statements

For the financial year ended 31 December 2023

27. DEFERRED INCOME TAXES (continued)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) was as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation	Unremitted foreign income	Unrealised gains on derivative financial instruments	Fair value adjustments on acquisition of subsidiaries	Others	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2023						
At 1 January 2023	(38,025)	(1,514)	(2,612)	(1,262)	(557)	(43,970)
Currency translation differences	1,674	-	79	-	-	1,753
(Charged)/Credited to						
- Profit or loss	(3,457)	(1,051)	2,251	122	-	(2,135)
End of financial year	**(39,808)**	**(2,565)**	**(282)**	**(1,140)**	**(557)**	**(44,352)**
2022						
At 1 January 2022	(34,975)	(1,882)	(962)	(1,256)	(557)	(39,632)
Currency translation differences	1,760	-	74	-	-	1,834
(Charged)/Credited to						
- Profit or loss	(4,810)	368	(1,724)	(6)	-	(6,172)
End of financial year	(38,025)	(1,514)	(2,612)	(1,262)	(557)	(43,970)

Notes to the Financial Statements

For the financial year ended 31 December 2023

27. DEFERRED INCOME TAXES (continued)

Group (continued)

Deferred income tax assets

	Unutilised tax losses	Unutilised reinvestment allowance	Provision and others	Total
	US$'000	US$'000	US$'000	US$'000
2023				
Beginning of financial year	3,722	1,431	5,175	10,328
Currency translation differences	(156)	(76)	(171)	(403)
(Charged)/Credited to				
- Profit or loss	(1,102)	2,570	673	2,141
End of financial year	**2,464**	**3,925**	**5,677**	**12,066**
2022				
Beginning of financial year	53	858	3,695	4,606
Currency translation differences	11	(41)	(131)	(161)
Credited to				
- Profit or loss	3,658	614	1,611	5,883
End of financial year	3,722	1,431	5,175	10,328

Deferred income tax assets are recognised for unutilised tax losses and unutilised investment allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The unrecognised unutilised tax losses amounted to approximately US$22,677,000 as at 31 December 2023 (2022: US$20,199,000) and have no expiry dates except for US$15,794,000 (2022: US$14,001,000) which would expire between 2024 to 2028 (2022: 2023 to 2027) and US$4,631,000 (2022: US$4,445,000) which would expire between 2029 to 2033 (2022: 2028 to 2030). These unrecognised unutilised tax losses can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unutilised tax losses in their respective countries of incorporation. In addition, a foreign subsidiary has unrecognised unutilised investment allowance of US$57,705,000 as at 31 December 2023 (2022: US$59,803,000) with no expiry date.

Notes to the Financial Statements

For the financial year ended 31 December 2023

27. DEFERRED INCOME TAXES (continued)

Company

Deferred income tax liabilities

	Unremitted foreign income	
	2023	2022
	US$'000	US$'000
Beginning of financial year	**(1,363)**	(1,731)
(Charged)/Credited to		
- Profit or loss	**(1,051)**	368
End of financial year	**(2,414)**	(1,363)

28. SHARE CAPITAL AND SHARE PREMIUM

	No. of ordinary shares		← Amount →		
	Authorised share capital at par value of US$0.001	**Issued share capital at par value of US$0.001**	**Authorised share capital at par value of US$0.001**	**Share capital at par value of US$0.001**	**Share premium**
	'000	'000	US$'000	US$'000	US$'000
Group and Company					
2023					
Beginning and end of financial year, ordinary shares at par value, US$0.001	**30,000,000**	**1,500,667**	**30,000**	**1,501**	**180,012**
2022					
Beginning and end of financial year, ordinary shares at par value, US$0.001	30,000,000	1,500,667	30,000	1,501	180,012

All issued ordinary shares were fully paid. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

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29. OTHER RESERVES

	Group	
	2023	2022
	US$'000	US$'000
(a) Composition:		
Merger reserve	**(53,005)**	(53,005)
General reserve	**(153)**	(308)
Currency translation reserve	**(8,554)**	873
Capital redemption reserve	**3,509**	3,509
	(58,203)	(48,931)

	Company	
	2023	2022
	US$'000	US$'000
Composition:		
Capital redemption reserve	**3,509**	3,509

Merger reserve represents the difference between the cost of investment (equivalent to the net asset value) and nominal value of share capital of the merged subsidiaries.

General reserve represents the difference between the carrying amounts of the non-controlling interest acquired and the fair value of the consideration paid.

Capital redemption reserve represents the difference between the nominal value of the shares repurchased and fair value of the consideration paid.

Other reserves are non-distributable.

Notes to the Financial Statements

For the financial year ended 31 December 2023

29. OTHER RESERVES (continued)

	Group 2023 US$'000	Group 2022 US$'000
(b) Movements		
(i) Merger reserve		
Beginning and end of financial year	**(53,005)**	(53,005)
(ii) General reserve		
Beginning of financial year	**(308)**	(1,425)
Acquisition of non-controlling interests*	**155**	1,117
End of financial year	**(153)**	(308)
(iii) Currency translation reserve		
Beginning of financial year	**873**	12,057
Net currency translation differences of foreign subsidiaries	**(9,456)**	(11,086)
Add/(Less): Non-controlling interests	**29**	(98)
	(9,427)	(11,184)
End of financial year	**(8,554)**	873

	Group and Company 2023 US$'000	Group and Company 2022 US$'000
(iv) Capital redemption reserve		
Beginning and end of financial year	**3,509**	3,509

* Group acquired shares from its non-controlling shareholders. The amount is insignificant to the Group.

Notes to the Financial Statements

For the financial year ended 31 December 2023

30. RETAINED PROFITS

Movement in retained profits for the Company was as follows:

	Company	
	2023	2022
	US$'000	US$'000
Beginning of financial year	**133,579**	122,274
Total comprehensive income for the financial year	**61,230**	21,744
Dividends (Note 31)	**(17,297)**	(10,439)
End of financial year	**177,512**	133,579

31. DIVIDENDS

	Group and Company	
	2023	2022
	US$'000	US$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final exempt one-tier dividend of S$0.0140 for 2022 (2021: S$0.0081) per share	**15,717**	8,806
- Interim exempt one-tier dividend of S$0.0014 for 2023 (2022: S$0.0015) per share	**1,580**	1,633
	17,297	10,439
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
- Final exempt one-tier dividend of S$0.0061 for 2023 (2022: S$0.0140) per share	**6,940**	15,237

Notes to the Financial Statements

For the financial year ended 31 December 2023

32. CONTINGENT LIABILITIES

Group

In the previous financial year, one of the wholly owned subsidiaries of the Company (the "Subsidiary") received notices from local land authorities in relation to revised project completion timelines and potential penalties due to delay in their manufacturing plant project. The project was suspended due to an ongoing arbitration with their contractor. Based on the legal advice obtained in previous financial year, the penalties, if any, is dependent on the local land authorities' judgment and decision based on the reasons for extension of the project. As of 31 December 2022, no provisions have been made for the penalties as the outcome was not determinable. In July 2023, the arbitration process was completed. Subsequently, the subsidiary received approval on its construction permits from the local authorities, allowing the resumption of the construction activities. The subsidiary did not receive any further notices from the local authorities regarding potential penalties for the delay in completion of the construction. Based on legal advice, the management assessed that the possibility of the potential penalties is remote.

Company

The Company has issued unsecured corporate guarantees to banks for borrowings to certain subsidiaries. As at 31 December 2023, the borrowings under the guarantees amounted to US$368,562,000 (31 December 2022: US$501,084,000). The financial effects of SFRS(I) 9 relating to the financial guarantee contracts issued by the Company are not material to the financial statements of the Company and therefore are not recognised. The management does not expect any loss to arise from the guarantees.

33. COMMITMENTS

Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2023	2022
	US$'000	US$'000
Property, plant and equipment	**47,064**	56,530

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, commodity price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as currency forward contracts, commodities forward and futures contracts to hedge certain financial risk exposures.

Financial risk management is carried out by the Executive Risk Management Team in accordance with the policies set by the Board of Directors. The Executive Risk Management Team works closely with the Group's operating units in identifying, evaluating and managing financial risks. Regular reports are submitted to the Board of Directors.

(a) Market risk

(i) Currency risk

The Group's revenue is denominated primarily in United States Dollar ("USD"), the functional and reporting currency of the Company. There are some exposures in other currencies, the most significant of which are the Malaysian Ringgit ("Ringgit"), Euro ("EUR"), Singapore Dollar ("SGD"), Australian Dollar ("AUD"), Indonesian Rupiah ("IDR"), Chinese Yuan ("CNY") and United Arab Emirates Dirham ("AED"). Currency risk arises within entities in the Group when transactions are denominated in currencies other than the entities' functional currencies.

The Group's risk management strategy provides for the use of currency forward contracts to hedge its future committed foreign exchange exposures, if necessary.

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management was as follows:

	USD* US$'000	Ringgit US$'000	EUR US$'000	SGD US$'000	AUD US$'000	IDR US$'000	CNY US$'000	AED US$'000
At 31 December 2023								
Financial assets								
Cash and bank balances	1,427	41,193	9,697	2,244	507	4,035	371	22,788
Trade and other receivables	10,414	94,802	53,805	5,998	4,358	1,483	1,315	343
Intercompany receivables	35,084	179,129	86,985	49	642	35,071	13,073	170
	46,925	315,124	150,487	8,291	5,507	40,589	14,759	23,301
Financial liabilities								
Borrowings	-	(198,937)	-	(9,417)	-	-	-	-
Lease liabilities	-	(1,505)	-	(6,996)	(303)	-	(102)	-
Trade and other payables	(13,313)	(88,089)	(14,498)	(13,064)	(439)	(8,700)	(620)	(879)
Intercompany payables	(249,035)	(179,129)	(86,985)	(49)	(642)	(35,071)	(13,073)	(170)
	(262,348)	(467,660)	(101,483)	(29,526)	(1,384)	(43,771)	(13,795)	(1,049)
Net financial (liabilities)/ assets	(215,423)	(152,536)	49,004	(21,235)	4,123	(3,182)	964	22,252
Add: Firm commitments and highly probable forecast transactions in foreign currencies	317,320	(18,241)	89,047	138	4,822	(13,988)	(12,563)	901
Less: Currency forward contracts	(144,619)	224,290	(183,561)	10,776	(7,960)	-	(5,105)	(457)
Currency profile	(42,722)	53,513	(45,510)	(10,321)	985	(17,170)	(16,704)	22,696
Financial liabilities/ (assets) denominated in the respective entities' functional currencies	-	(51,051)	47,691	1,975	(1,909)	36,498	24,558	1
Currency exposure of financial (liabilities) / assets net of those denominated in the respective entities' functional currencies	**(42,722)**	**2,462**	**2,181**	**(8,346)**	**(924)**	**19,328**	**7,854**	**22,697**

* This relates to the Group's exposure to USD arising from subsidiaries with Ringgit functional currency.

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL RISK MANAGEMENT (continued)

(a) ***Market risk*** (continued)

(i) *Currency risk* (continued)

The Group's currency exposure based on the information provided to key management was as follows: (continued)

	USD* US$'000	Ringgit US$'000	EUR US$'000	SGD US$'000	AUD US$'000	IDR US$'000	CNY US$'000
At 31 December 2022							
Financial assets							
Cash and bank balances	14,224	38,841	6,603	6,094	211	6,425	606
Trade and other receivables	16,693	126,331	103,119	5,580	5,628	7,915	4,145
Intercompany receivables	79,345	224,551	174,363	97	7,627	20,132	11,546
	110,262	389,723	284,085	11,771	13,466	34,472	16,297
Financial liabilities							
Borrowings	-	(292,909)	-	(12,885)	-	(4,895)	-
Lease liabilities	-	(1,357)	-	(7,230)	(475)	-	(169)
Trade and other payables	(13,577)	(113,190)	(7,447)	(14,559)	(592)	(8,199)	(6,047)
Intercompany payables	(285,736)	(224,551)	(174,363)	(97)	(7,627)	(20,131)	(11,546)
	(299,313)	(632,007)	(181,810)	(34,771)	(8,694)	(33,225)	(17,762)
Net financial (liabilities)/ assets	(189,051)	(242,284)	102,275	(23,000)	4,772	1,247	(1,465)
Add: Firm commitments and highly probable forecast transactions in foreign currencies	238,771	(47,493)	51,508	(5,010)	2,004	(16,786)	(8,043)
Less: Currency forward contracts	(137,534)	276,829	(251,412)	13,154	(13,711)	-	(10,262)
Currency profile	(87,814)	(12,948)	(97,629)	(14,856)	(6,935)	(15,539)	(19,770)
Financial liabilities denominated in the respective entities' functional currencies	-	2,196	92,418	2,394	4,390	35,049	22,700
Currency exposure of financial (liabilities) /assets net of those denominated in the respective entities' functional currencies	(87,814)	(10,752)	(5,211)	(12,462)	(2,545)	19,510	2,930

* This relates to the Group's exposure to USD arising from subsidiaries with Ringgit functional currency.

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL RISK MANAGEMENT (continued)

(a) *Market risk* (continued)

(i) *Currency risk* (continued)

The Company's currency exposure based on the information provided to key management was as follows:

	SGD US$'000	IDR US$'000
At 31 December 2023		
Financial assets		
Cash and bank balances	32	-
Other receivables	-	19,599
	32	19,599
Financial liabilities		
Other payables	(246)	-
Net financial (liabilities)/assets	(214)	19,599
Currency profile/currency exposure of financial (liabilities)/ assets net of those denominated in the Company's functional currency	**(214)**	**19,599**
At 31 December 2022		
Financial assets		
Cash and bank balances	150	-
Other receivables	-	9,929
	150	9,929
Financial liabilities		
Other payables	(205)	-
Net financial (liabilities)/assets	(55)	9,929
Currency profile/currency exposure of financial (liabilities)/ assets net of those denominated in the Company's functional currency	(55)	9,929

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL RISK MANAGEMENT (continued)

(a) ***Market risk*** (continued)

(i) *Currency risk* (continued)

If Ringgit, EUR, SGD, AUD, IDR, CNY and AED change by 5% (2022: 5%) respectively with all other variables including tax rate being held constant, the effects arising from the financial asset/liability position net of those denominated in the respective entities' functional currencies are as follows:

	Profit after tax ← Increase/(Decrease) →	
	US$'000	US$'000
	Strengthened	**Weakened**
Group		
31 December 2023		
USD against Ringgit	**(1,494)**	**1,494**
Ringgit against USD	**86**	**(86)**
EUR against USD	**76**	**(76)**
SGD against USD	**(292)**	**292**
AUD against USD	**(32)**	**32**
IDR against USD	**676**	**(676)**
CNY against USD	**275**	**(275)**
AED against USD	**794**	**(794)**
31 December 2022		
USD against Ringgit	(3,495)	3,495
Ringgit against USD	(428)	428
EUR against USD	(207)	207
SGD against USD	(496)	496
AUD against USD	(101)	101
IDR against USD	776	(776)
CNY against USD	117	(117)

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If SGD and IDR change against USD by 5% (2022: 5%) respectively with all other variables including tax rate being held constant, the effects arising from the financial asset/liability position net of those denominated in the respective entities' functional currencies are as follows:

	Profit after tax Increase/(Decrease)	
	US$'000	US$'000
	Strengthened	**Weakened**
Company		
31 December 2023		
SGD against USD	**(10)**	**10**
IDR against USD	**933**	**(933)**
31 December 2022		
SGD against USD	(2)	2
IDR against USD	495	(495)

(ii) Cash flows and fair value interest rate risks

Cash flows interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its borrowings and deposits placed with creditworthy licensed banks and financial institutions.

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL RISK MANAGEMENT (continued)

(a) ***Market risk*** (continued)

(iii) Commodity price risk

The Group is exposed to fluctuations in the prices of agri-commodities it deals in, including crude palm oil and palm oil products. The Group minimises the risk arising from such fluctuations by entering into commodities forward contracts and futures contracts. As the Group has not adopted hedge accounting, the fair value changes on these derivative financial instruments are recognised in the profit or loss when the changes arise.

The Group's commodities forward contracts are not traded in an active market and hence their fair values are estimated using a valuation technique as described in Note 34(e).

If the commodities forward prices had been higher or lower by 5% from the management's estimates and other variables remain constant, the Group's profit after tax would have been lower or higher by US$15,970,000 (2022: US$11,304,000) respectively, arising from the changes in the fair value of the commodities forward contracts.

(b) ***Credit risk***

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are trade and other receivables, cash and bank balances, and derivative financial instruments. For trade and other receivables and commodities forward contracts, the Group adopts the policy of dealing only with customers of appropriate credit standing and history or buying credit insurance where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group has a credit risk policy in place to manage credit risk. All new customers are subject to credit worthiness check; counterparties are ranked and assigned a credit limit appropriately. Such credit limit would be approved by the Group Segment Risk Management Team ("GSRMT"). In addition, any increase in credit limit requires approval from the GSRMT. The GSRMT is mandated to monitor the payment ageing profile of the third party receivables, to review all the outstanding receivables regularly and to identify any potential uncollectible for credit loss allowance and/or write-off.

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL RISK MANAGEMENT (continued)

(b) ***Credit risk*** (continued)

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Company	
	2023	2022
	US$'000	US$'000
Corporate guarantees provided to financial institutions on subsidiaries' borrowings	**368,562**	501,084

The management is of the view that no loss is expected to arise from the guarantees.

The credit risk relating to each class of financial instruments presented on the balance sheet are as follows:

(i) *Cash and bank balances and other receivables*

The Group and the Company held cash and bank balances of US$131,922,000 and US$98,000 respectively (2022: US$102,849,000 and US$770,000) with banks which have good credit-ratings and considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

The Group has assessed that other receivables are subject to immaterial credit loss.

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL RISK MANAGEMENT (continued)

(b) ***Credit risk*** (continued)

(ii) *Trade receivables*

For specific trade receivables identified by the Group to be credit impaired, the Group recognised a loss allowance equal to lifetime expected credit loss of US$9,149,000 (2022: US$9,378,000) in respect of these receivables, as follows:

	Group	
	2023	2022
	US$'000	US$'000
Gross amount	**40,111**	23,970
Less: Allowance for expected credit losses	**(9,149)**	(9,378)
	30,962	14,592
Beginning of financial year	**(9,378)**	(15,356)
Currency translation differences	**108**	704
(Provision)/Reversal of expected credit losses	**(2,750)**	1,597
Allowance utilised	**2,871**	3,677
End of financial year	**(9,149)**	(9,378)

For the remaining receivables, they are grouped based on similar risk characteristics and days past due, and the Group uses a provision matrix to measure the lifetime expected credit loss allowance for these receivables. These receivables as at 31 December 2023 and 31 December 2022 are set out as follows:

	Group	
	2023	2022
	US$'000	US$'000
Trade receivables		
Not past due	**174,180**	229,703
Past due < 3 months	**93,318**	174,539
Past due 3 to 6 months	**2,470**	76,271
Past due 6 to 12 months	**825**	2,408
Past due over 1 year	**2,611**	2,204
	273,404	485,125

For the purpose of ascertaining the credit loss to be provided, the Group takes into consideration any deposits and payables to these customers, where there is a right of offset, as well as credit insurance coverage to determine the credit risk exposure to the Group.

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(ii) Trade receivables (continued)

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Based on the above assessment, the Group has concluded that the credit loss from these receivables as at 31 December 2023 and 31 December 2022 is immaterial.

The Group considers a trade receivable as in default if the counterparty fails to make contractual payments within a commercially reasonable timeframe that is determined by the Group, and write off the trade receivable when there is no reasonable expectation of recovery. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

(iii) Loan to subsidiaries

The Company monitors the credit risk of the subsidiaries to assess if there is any significant increase in credit risk.

For loans to subsidiaries identified by the Company to be credit impaired, the Company recognised credit loss of US$80,583,000 (2022: US$75,819,000). The remaining loans are measured on 12-month expected credit losses and subject to immaterial credit loss.

(iv) Financial guarantee contracts

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and maintaining flexibility in funding by keeping credit facilities available with different financial institutions. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term bank deposits as disclosed in Note 17.

The table below analyses financial liabilities (including derivative liabilities) of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table were the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying balances as the impact of discounting was not significant.

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL RISK MANAGEMENT (continued)

(c) ***Liquidity risk*** (continued)

	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000	Total US$'000
Group					
At 31 December 2023					
Trade and other payables	**(196,919)**	**-**	**-**	**-**	**(196,919)**
Borrowings	**(296,022)**	**(31,905)**	**(74,508)**	**(9,121)**	**(411,556)**
Lease liabilities	**(1,429)**	**(2,010)**	**(2,337)**	**(11,581)**	**(17,357)**
	(494,370)	**(33,915)**	**(76,845)**	**(20,702)**	**(625,832)**
Gross-settled currency forward contracts					
- Receipts	**674,541**	**-**	**-**	**-**	**674,541**
- Payments	**(339,489)**	**-**	**-**	**-**	**(339,489)**
	335,052	**-**	**-**	**-**	**335,052**
Gross-settled commodities futures contracts and forward sales and purchase contracts					
- Receipts	**542,046**	**386**	**-**	**-**	**542,432**
- Payments	**(213,289)**	**-**	**-**	**-**	**(213,289)**
	328,757	**386**	**-**	**-**	**329,143**
At 31 December 2022					
Trade and other payables	(236,515)	-	-	-	(236,515)
Borrowings	(450,394)	(33,728)	(57,600)	(15,724)	(557,446)
Lease liabilities	(1,015)	(958)	(2,061)	(12,971)	(17,005)
	(687,924)	(34,686)	(59,661)	(28,695)	(810,966)
Gross-settled currency forward contracts					
- Receipts	646,710	-	-	-	646,710
- Payments	(234,962)	-	-	-	(234,962)
	411,748	-	-	-	411,748
Gross-settled commodities futures contracts and forward sales and purchase contracts					
- Receipts	891,545	-	-	-	891,545
- Payments	(624,636)	(2)	-	-	(624,638)
	266,909	(2)	-	-	266,907

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL RISK MANAGEMENT (continued)

(c) *Liquidity risk* (continued)

	Less than 1 year US$'000
Company	
At 31 December 2023	
Other payables	**(246)**
At 31 December 2022	
Other payables	(205)

The table below analyses the maturity profile of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts was allocated to the earliest period in which the guarantee could be called.

	Less than 1 year US$'000
Company	
At 31 December 2023	
Financial guarantee contracts	**(368,562)**
At 31 December 2022	
Financial guarantee contracts	(501,084)

(d) *Capital risk*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payments, obtain new borrowings or sell assets to reduce borrowings.

Management manages capital based on net assets of the Group and a number of key ratios including gross debt-equity ratio and net debt-equity ratio. The Group is required by the banks to maintain a certain amount of minimum net worth and gross debt-equity ratio. The gross debt-equity ratio is defined as total interest-bearing debts ("gross debt") to total equity. Net debt-equity ratio is defined as total interest-bearing debts less cash and bank balances ("net debt") to total equity.

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL RISK MANAGEMENT (continued)

(d) Capital risk (continued)

No changes were made to the objectives, policies or processes of managing capital during the financial years ended 31 December 2023 and 31 December 2022.

	Group	
	31 December	
	2023	2022
	US$'000	US$'000
Debt-equity ratio		
Gross debt*	**391,574**	540,779
Less: Cash and bank balances	**(131,922)**	(102,849)
Net debt	**259,652**	437,930
Total equity	**786,490**	774,758
Gross debt-equity ratio	**0.50**	0.70
Net debt-equity ratio	**0.33**	0.57

* Gross debt is calculated as total borrowings as disclosed in Note 26.

The Group and the Company were in compliance with all externally imposed capital requirements for the financial years ended 31 December 2023 and 2022.

(e) Fair value measurements

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL RISK MANAGEMENT (continued)

(e) ***Fair value measurements*** (continued)

	Level 1 US$'000	Level 2 US$'000	Total US$'000
Group			
31 December 2023			
Financial Assets			
Derivative financial instruments (Note 16)			
- Currency forward contracts	-	13,049	13,049
- Commodities forward contracts	-	9,903	9,903
- Futures contracts on commodity exchange	386	-	386
	386	**22,952**	**23,338**
Financial Liabilities			
Derivative financial instruments (Note 16)			
- Currency forward contracts	-	(7,196)	(7,196)
- Commodities forward contracts	-	(17,993)	(17,993)
- Futures contracts on commodity exchange	(12,212)	-	(12,212)
	(12,212)	**(25,189)**	**(37,401)**
31 December 2022			
Financial Assets			
Derivative financial instruments (Note 16)			
- Currency forward contracts	-	8,793	8,793
- Commodities forward contracts	-	42,568	42,568
- Futures contracts on commodity exchange	7	-	7
	7	51,361	51,368
Financial Liabilities			
Derivative financial instruments (Note 16)			
- Currency forward contracts	-	(10,605)	(10,605)
- Commodities forward contracts	-	(27,194)	(27,194)
- Futures contracts on commodity exchange	(17,248)	-	(17,248)
	(17,248)	(37,799)	(55,047)

There were no transfers between Levels 1 and 2 during the year. The Group's commodities futures contracts are traded in active markets and their fair values reflect quoted prices at the balance sheet date in active markets such as Bursa Malaysia. These instruments are included in Level 1.

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value measurements (continued)

The Group's commodities forward contracts are not traded in an active market. Their fair values are estimated by a valuation technique that takes into consideration various sources of indicative market prices at the balance sheet date. The sources of indicative market prices include prices listed on the Malaysian Palm Oil Board (MPOB), prices obtained from an international news agency, quotes obtained from brokers, actual contracted prices entered on the balance sheet date. In determining the most appropriate and best estimated prices to be used, certain adjustments may be made depending on factors such as availability of prices on the forward delivery dates and whether the prices are reflective of market prices during the period when the volume of market transactions are low. The fair values of currency forward contracts are determined using quoted forward exchange rates at the balance sheet date. These instruments are included in Level 2.

The carrying value less allowance for expected credit losses of trade and other receivables are assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of current borrowings and lease liabilities approximates their carrying amounts.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments are as follows:

	Group		Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Financial assets at fair value through profit or loss	**23,338**	51,368	**-**	-
Financial liabilities at fair value through profit or loss	**(37,401)**	(55,047)	**-**	-
Financial assets at amortised cost	**489,753**	683,995	**364,819**	319,401
Financial liabilities at amortised cost	**(598,263)**	(786,666)	**(246)**	(205)

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL RISK MANAGEMENT (continued)

(g) Offsetting financial assets and liabilities

Group

(i) Financial assets subject to offsetting

Description	(a) Gross amounts of financial assets US$'000	(b) Gross amount of financial liabilities set off on balance sheet US$'000	(c) = (a)-(b) Net amounts of financial assets presented on balance sheet US$'000
31 December 2023			
Commodities forward contracts	**11,281**	**(1,378)**	**9,903**
Futures contracts on commodity exchange	**9,310**	**(8,924)**	**386**
31 December 2022			
Commodities forward contracts	46,321	(3,753)	42,568

(ii) Financial liabilities subject to offsetting

Description	(a) Gross amounts of financial liabilities US$'000	(b) Gross amount of financial assets set off on balance sheet US$'000	(c) = (a)-(b) Net amounts of financial liabilities presented on balance sheet US$'000
31 December 2023			
Commodities forward contracts	**(19,371)**	**1,378**	**(17,993)**
Futures contracts on commodity exchange	**(21,136)**	**8,924**	**(12,212)**
31 December 2022			
Commodities forward contracts	(30,947)	3,753	(27,194)

Notes to the Financial Statements

For the financial year ended 31 December 2023

35. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services and other transactions

	Group	
	2023	2022
	US$'000	US$'000
Sales of finished goods to related parties	**14,643**	15,713
Purchases of raw materials from related parties	**1,529**	1,592
Purchases of plant and equipment from a related party	**200**	1,821
Gains/(Losses) from derivative financial instruments from related parties	**187**	(17)
Rental received/receivable		
- Associated company	**3**	3
- Related party	**44**	41
Service fee income received/receivable from an Associated company	**65**	61
Services paid/payable		
- Transportation and forwarding to an Associated company	**3,227**	3,218
- Packing material to related parties	**359**	214
- Consultation fees to related parties	**1,430**	1,567

Related parties comprise mainly companies or individuals which are controlled or significantly influenced by the Group's key management personnel and their close family members.

Outstanding balances at 31 December 2023 and 2022 arising from the above transactions are set out in Notes 14, 15, 24 and 25.

Notes to the Financial Statements

For the financial year ended 31 December 2023

35. RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel compensation

Key management personnel compensation was as follows:

	Group	
	2023	2022
	US$'000	US$'000
Wages, salaries and other short-term employee benefits	**8,497**	7,959
Employer's contribution to defined contribution plans	**151**	144
	8,648	8,103

Key management compensation includes remuneration of Executive Directors and senior management of the Group.

36. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Management Committee ("Mancom") that are used to make strategic decisions, allocate resources, and assess performance. The Mancom is the Group's chief operating decision-maker and comprises the Chief Executive Officer, Chief Operating Officer, the Chief Financial Officer, and the department heads of each business within each segment.

The Mancom considers the business from two segments:

(i) The bulk segment which sources, manufactures and sells edible oils and specialty fats and oils in bulk and bioenergy products in bulk for a variety of end uses; and

(ii) The consumer pack segment which manufactures and sells edible oils and bakery fats, dairy related products, soap and rice to consumers in packaged form.

The Group measures and tracks the profitability in terms of operating margin and adjusted earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA").

Operating margin is calculated as revenue, less cost of sales (excluding depreciation), selling and distribution expenses, allowance for/(reversal of) expected credit losses and foreign exchange gains/(losses). Operating margin relating to inter-segment sales are reported under the segment where the final sales to third parties are made.

Adjusted EBITDA is calculated as operating margin add other income, less administrative expenses (excluding depreciation), Other gains/(losses) excluding foreign exchange gains or losses which has been considered in operating margin and also excluding impairment of assets.

Notes to the Financial Statements

For the financial year ended 31 December 2023

36. SEGMENT INFORMATION (continued)

The segment information provided to the Mancom for the reportable segments for the financial year ended 31 December 2023 was as follows:

	Bulk US$'000	**Consumer Pack** US$'000	**Total** US$'000
Group			
Revenue			
Total segment sales	3,162,427	1,252,013	4,414,440
Inter-segment sales	(275,595)	(15,049)	(290,644)
Revenue from external parties	2,886,832	1,236,964	4,123,796
Operating margin	**101,413**	**99,731**	**201,144**
Other income excluding interest income	4,011	2,526	6,537
Interest income	2,986	656	3,642
Administrative expenses, excluding depreciation	(44,803)	(54,666)	(99,469)
Other gains/(losses) (net) excluding foreign exchange gains/(losses) (net), impairment losses on property, plant and equipment (net)	106	49	155
Adjusted EBITDA	**63,713**	**48,296**	**112,009**
Depreciation	(17,014)	(8,775)	(25,789)
Finance expense	(15,355)	(11,967)	(27,322)
Impairment losses on property, plant and equipment	(2,922)	(862)	(3,784)
Segment results	**28,422**	**26,692**	**55,114**
Unallocated			
Income tax expense			(16,570)
Share of profit of an associate			28
Profit after tax			**38,572**
Total segment assets	**965,923**	**517,343**	**1,483,266**
Unallocated			
Current income tax recoverable			5,468
Investment in associated company			494
Deferred income tax assets			365
Total assets			**1,489,593**
Total assets include:			
Additions to:			
- Property, plant and equipment	74,302	11,245	85,547
Total segment liabilities	**(404,343)**	**(259,779)**	**(664,122)**
Unallocated			
Current income tax liabilities			(6,330)
Deferred income tax liabilities			(32,651)
Total liabilities			**(703,103)**

Notes to the Financial Statements

For the financial year ended 31 December 2023

36. SEGMENT INFORMATION (continued)

The segment information provided to the Mancom for the reportable segments for the financial year ended 31 December 2022 was as follows:

	Bulk US$'000	Consumer Pack US$'000	Total US$'000
Group			
Revenue			
Total segment sales	4,412,883	1,438,166	5,851,049
Inter-segment sales	(384,450)	(38,071)	(422,521)
Revenue from external parties	4,028,433	1,400,095	5,428,528
Operating margin	**215,943**	**84,961**	**300,904**
Other income excluding interest income	1,669	2,039	3,708
Interest income	2,113	324	2,437
Administrative expenses, excluding depreciation	(46,327)	(47,651)	(93,978)
Other losses (net) excluding foreign exchange losses (net) and impairment losses on property, plant and equipment (net)	(374)	(3,587)	(3,961)
Adjusted EBITDA	**173,024**	**36,086**	**209,110**
Depreciation	(17,680)	(9,502)	(27,182)
Finance expense	(11,539)	(7,575)	(19,114)
Impairment losses on property, plant and equipment - net	(6,631)	(14,077)	(20,708)
Segment results	**137,174**	**4,932**	**142,106**
Unallocated			
Income tax expense			(28,989)
Share of loss of an associate			(54)
Profit after tax			**113,063**
Total segment assets	**1,131,452**	**562,407**	**1,693,859**
Unallocated			
Current income tax recoverable			874
Investment in associated company			498
Deferred income tax assets			779
Total assets			**1,696,010**
Total assets include:			
Additions to:			
- Property, plant and equipment	48,035	8,001	56,036
Total segment liabilities	**(582,270)**	**(289,601)**	**(871,871)**
Unallocated			
Current income tax liabilities			(14,960)
Deferred income tax liabilities			(34,421)
Total liabilities			**(921,252)**

Notes to the Financial Statements

For the financial year ended 31 December 2023

36. SEGMENT INFORMATION (continued)

Geographical information

Revenue is attributed to countries on the basis of the customers' billing locations. The non-current assets, excluding deferred income tax assets and derivative financial assets, are analysed by the geographical area in which the non-current assets are located.

	Group	
	2023	2022
	US$'000	US$'000
Revenue by geography		
Malaysia	**1,614,855**	1,958,950
Singapore	**672,928**	1,217,237
	2,287,783	3,176,187
Other geographical areas		
- Rest of Asia	**737,089**	880,372
- Africa	**345,285**	433,749
- Middle East	**494,811**	556,889
- Europe	**133,284**	188,474
- Pacific Oceania	**74,697**	121,539
- America	**50,847**	71,318
	1,836,013	2,252,341
	4,123,796	5,428,528

	Group	
	2023	2022
	US$'000	US$'000
Non-current assets by geography		
Singapore	**14,014**	20,176
Malaysia	**318,634**	331,829
Indonesia	**156,254**	92,925
Other countries	**1,825**	2,175
	490,727	447,105

There is no transaction with a single external customer amounting to 10 per cent or more of the Group's revenues for the financial years ended 31 December 2023 and 2022.

Notes to the Financial Statements

For the financial year ended 31 December 2023

37. BUSINESS COMBINATION

Business combination under "acquisition method"

(a) PT Kencana Inti Perkasa ("PTKIP")

On 3 April 2023, the Group completed the acquisition of 100% of the issued equity of PTKIP, an Indonesian company which owns and operates facilities in palm oil business, from non-related parties, through its wholly owned subsidiaries, PT Agro Perkasa, a company incorporated in Indonesia and Cavenagh Oleo (S) Pte Ltd, a company incorporated in Singapore for a total purchase consideration of US$1,647,000.

During the financial year, the Group has finalised the fair values of the identified assets acquired and liabilities assumed under the purchase price allocation ("PPA") assessment.

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

		US$'000
(i)	*Purchase consideration*	
	Cash paid	1,647
	Total purchase consideration	**1,647**
(ii)	*Effect on cash flows of the Group*	
	Cash consideration paid (as above)	1,647
	Cash outflow on acquisition	**1,647**
(iii)	*Identifiable assets acquired and liabilities assumed*	
	Property, plant and equipment (Note 19)	6,758
	Inventories	28
	Other receivables	12
	Total assets	6,798
	Bank borrowings	(2,171)
	Other payables	(2,980)
	Total liabilities	(5,151)
	Total identifiable net assets/ Consideration transferred for the business	**1,647**

Notes to the Financial Statements

For the financial year ended 31 December 2023

37. BUSINESS COMBINATION (continued)

Business combination under "acquisition method" (continued)

(a) PT Kencana Inti Perkasa ("PTKIP") (continued)

(iv) Acquisition-related costs

Acquisition-related costs of US$52,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(v) Revenue and profit contribution

The acquired business contributed revenue of US$19,368,000 and net loss of US$1,362,000 to the Group from the period from 4 April 2023 to 31 December 2023.

Had PTKIP been acquired from 1 January 2023, the revenue and loss after tax for the year ended 31 December 2023 would have been US$19,368,000 and US$1,653,000 respectively.

(b) PT Simpang Kanan Lestarindo ("PTSKL")

In the previous financial year, on 30 September 2022, the Group completed the acquisition of 100% of the issued equity of PTSKL, an Indonesian company which owns and operates facilities in palm oil business, from non-related parties, through its wholly owned subsidiaries, PT Agro Perkasa, a company incorporated in Indonesia and Cavenagh Oleo (S) Pte Ltd, a company incorporated in Singapore for a total purchase consideration of US$5,731,000.

During the financial year, the Group has finalised the fair values of the identified assets acquired and liabilities assumed. Upon finalisation of purchase price allocation ("PPA"), no measurement period adjustment has been recognised.

Notes to the Financial Statements

For the financial year ended 31 December 2023

37. BUSINESS COMBINATION (continued)

Business combination under "acquisition method" (continued)

(b) PT Simpang Kanan Lestarindo ("PTSKL") (continued)

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

		US$'000
(i)	*Purchase consideration*	
	Cash paid	5,731
	Total purchase consideration	**5,731**
(ii)	*Effect on cash flows of the Group*	
	Cash consideration paid (as above)	5,731
	Cash outflow on acquisition	**5,731**
(iii)	*Identifiable assets acquired and liabilities assumed*	
	Property, plant and equipment (Note 19)	5,222
	Inventories	44
	Total assets	5,266
	Bank borrowings	(1,062)
	Total liabilities	(1,062)
	Total identifiable net assets	**4,204**
	Add: Goodwill (Note 18 and Note (v) below)	1,527
	Consideration transferred for the business	**5,731**

Notes to the Financial Statements

For the financial year ended 31 December 2023

37. BUSINESS COMBINATION (continued)

Business combination under "acquisition method" (continued)

(b) PT Simpang Kanan Lestarindo ("PTSKL") (continued)

(iv) Acquisition-related costs

Acquisition-related costs of US$31,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(v) Goodwill

The goodwill of US$1,527,000 arising from the acquisition is attributable to the synergies expected to arise from further consolidation of the Group's position as a global food and agri-business. It is not deductible for tax purposes.

(vi) Revenue and profit contribution

The acquired business contributed revenue of US$5,512,000 and net loss of US$215,000 to the Group from the period from 1 October 2022 to 31 December 2022.

Had PTSKL been acquired from 1 January 2022, the revenue and loss after tax for the year ended 31 December 2022 would have been US$19,900,000 and US$1,566,000 respectively.

38. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2024 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements:
Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024)
Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

Notes to the Financial Statements

For the financial year ended 31 December 2023

38. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (continued)

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: (continued)
Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024) (continued)
Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024) (continued)

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-7 Statement of Cash Flows and SFRS(I) 7 Financial Statements: Disclosures:
Supplier finance arrangements (effective for annual periods beginning on or after 1 January 2024)

The amendments clarify the characteristics of supplier finance arrangements ("SFA") and introduce new disclosures of such arrangements. The objective of the new disclosures is to provide information about supplier finance arrangements that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk.

There is a transitional relief of not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

The amendments will be effective for annual periods beginning on or after 1 January 2024. Early adoption is permitted.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 16 Leases:
Lease liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 16 explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The Group does not expect any significant impact arising from applying these amendments.

Notes to the Financial Statements

For the financial year ended 31 December 2023

39. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Mewah International Inc. on 5 March 2024.

40. LISTING OF SIGNIFICANT SUBSIDIARIES OF THE GROUP

Name of companies	Country of incorporation	Principal activities	Principal country of operation	Group's equity holding	
				2023 %	2022 %
Mewah-Oils Sdn Bhd [b]	Malaysia	Manufacturing and selling of vegetable oil products	Malaysia	**100**	100
Ngo Chew Hong Oils & Fats (M) Sdn Bhd [b]	Malaysia	Manufacturing and selling of vegetable oil products	Malaysia	**100**	100
Mewaholeo Industries Sdn Bhd [b]	Malaysia	Manufacturing and selling of vegetable oil products	Malaysia	**100**	100
Mewah Datu Sdn Bhd [b]	Malaysia	Manufacturing and selling of vegetable oil products	Malaysia	**100**	100
MOI Foods Malaysia Sdn Bhd [b]	Malaysia	Manufacturing and selling of downstream vegetable oil based food and personal care products	Malaysia	**100**	100
Mewah Dairies Sdn Bhd [b]	Malaysia	Manufacturing and selling of dairy related products	Malaysia	**100**	100
Bremfield Sdn Bhd [b]	Malaysia	Manufacturing and selling of biodiesel related products	Malaysia	**100**	100
Mewah Oils & Fats Pte Ltd [a]	Singapore	Trading of edible oils, fats and related products	Singapore	**100**	100
Ngo Chew Hong Edible Oil Pte Ltd [a]	Singapore	Packaging and trading of dairy and edible oils	Singapore	**100**	100

Notes to the Financial Statements

For the financial year ended 31 December 2023

40. LISTING OF SIGNIFICANT SUBSIDIARIES OF THE GROUP (continued)

Name of companies	Country of incorporation	Principal activities	Principal country of operation	Group's equity holding	
				2023 %	2022 %
MOI International (Singapore) Pte Ltd [(a)]	Singapore	Trading of dairy, food products and agricultural raw materials	Singapore	**100**	100
Mewah Marketing Pte Ltd [(a)]	Singapore	Trading of edible oils, fats and related products	Singapore	**100**	100
PT Able Commodities Indonesia [(c)]	Indonesia	Manufacturing and selling of vegetable oil products	Indonesia	**70**	70
PT Agro Murni [(c)]	Indonesia	Manufacturing and selling of vegetable oil products	Indonesia	**100**	100

(a) Audited by PricewaterhouseCoopers LLP, Singapore
(b) Audited by PricewaterhouseCoopers, Malaysia
(c) Audited by PricewaterhouseCoopers, Indonesia

Statistics of Shareholdings

as at 12 March 2024

Total number of issued shares	:	1,500,667,440
Issued and fully paid-up capital	:	US$1,500,667
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	Number of shareholders	%	Number of shares	%
1- 99	2	0.06	93	0.00
100 - 1,000	1,019	32.69	1,004,600	0.07
1,001 – 10,000	1,055	33.85	6,556,666	0.43
10,001 – 1,000,000	1,013	32.50	65,086,959	4.34
1,000,001 & above	28	0.90	1,428,019,122	95.16
TOTAL	**3,117**	**100.00**	**1,500,667,440**	**100.00**

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Name	No. of shares	%	No. of shares	%
Eighteen Tenth Nineteen Forty Four Inc.	361,048,720(1)	24.06	-	0.00
Dr. TC Pierre (Cayman Islands) Inc.	-	0.00	423,593,220(1)(2)(4)	28.23
T.C. Stone Limited	282,809,300(3)	18.85	-	0.00
J.J. Mibisa Holdings (BVI) Inc.	-	0.00	282,809,300(3)	18.85
Dr Cheo Tong Choon @ Lee Tong Choon	-	0.00	728,184,020(5)	48.52
Michelle Cheo Hui Ning	2,163,600	0.14	706,402,520(6)	47.07
Bianca Cheo Hui Hsin	2,460,100	0.16	707,828,520(7)	47.17
Sara Cheo Hui Yi	-	0.00	706,402,520(6)	47.07
Cheo Jian Jia	-	0.00	706,402,520(6)	47.07
Cheo Seng Jin	112,068,400(4)	7.47	-	0.00
Ankar Pacific Assets Pte. Ltd.	125,078,962	8.33	-	0.00
Estate of Ong Tuan Hong, Deceased	82,351,220	5.49	-	0.00
TOTAL:	**967,980,302**	**64.50**		

Statistics of Shareholdings

as at 12 March 2024

(1) The shareholders of Eighteen Tenth Nineteen Forty Four Inc.("**1810**") include Dr. T.C. Pierre (Cayman Islands) Inc. (95.46%) which is wholly owned by SG Kleinwort Hambros Trust Company (Channel Islands) Limited as trustee of The TC Peter MD Settlement for its beneficiaries, including Michelle Cheo Hui Ning, Bianca Cheo Hui Hsin, Sara Cheo Hui Yi and Cheo Jian Jia. Dr Cheo Tong Choon @ Lee Tong Choon is the settlor of the Trust.

(2) Unity Investment Inc. ("**Unity**") is wholly owned by Dr. T.C. Pierre (Cayman Islands) Inc. which in turn is wholly owned by SG Kleinwort Hambros Trust Company (Channel Islands) Limited as trustee of The TC Peter MD Settlement for its beneficiaries, including Michelle Cheo Hui Ning, Bianca Cheo Hui Hsin, Sara Cheo Hui Yi and Cheo Jian Jia. Dr Cheo Tong Choon @ Lee Tong Choon is the settlor of the Trust.

(3) T.C. Stone Limited.("**TCS**") is wholly owned by J.J. Mibisa Holdings (BVI) Inc. which in turn is wholly owned by SG Kleinwort Hambros Trust Company (Channel Islands) Limited as trustee of The TC Peter MD Settlement for its beneficiaries, including Michelle Cheo Hui Ning, Bianca Cheo Hui Hsin, Sara Cheo Hui Yi and Cheo Jian Jia. Dr Cheo Tong Choon @ Lee Tong Choon is the settlor of the Trust.

(4) Cheo Seng Jin has assigned voting rights of 20,912,000 shares to Unity Investment Inc. (Note 2).

(5) Deemed interest for Dr Cheo Tong Choon @ Lee Tong Choon arises from the shares held by his spouse; and shares held by 1810 (Note 1), Unity. (Note 2), TCS (Note 3) and Cheo Seng Jin (Note 4).

(6) Deemed interest for Michelle Cheo Hui Ning, Cheo Jian Jia and Sara Cheo Hui Yi arise from the shares held by 1810 (Note 1), Unity (Note 2), TCS (Note 3) and Cheo Seng Jin (Note 4).

(7) Deemed interest for Bianca Cheo Hui Ning arises from the shares held by her spouse and shares held by 1810 (Note 1), Unity (Note 2), TCS (Note 3) and Cheo Seng Jin (Note 4).

Statistics of Shareholdings

as at 12 March 2024

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Eighteen Tenth Nineteen Forty Four Inc.	361,048,720	24.06
2	Citibank Nominees Singapore Pte Ltd	262,550,488	17.50
3	Raffles Nominees (Pte) Limited	217,547,832	14.50
4	T.C. Stone Limited	174,400,209	11.62
5	CGS-CIMB Securities (Singapore) Pte. Ltd.	110,166,908	7.34
6	United Overseas Bank Nominees (Private) Limited	109,031,991	7.27
7	UOB Kay Hian Private Limited	45,950,232	3.06
8	Cheo Mingyou (Shi Mingyou)	27,805,500	1.85
9	DBS Nominees (Private) Limited	19,142,700	1.28
10	Pearl Cheo	14,914,500	0.99
11	BNP Paribas Nominees Singapore Pte Ltd	14,345,000	0.95
12	Loo Choon Yong	14,190,000	0.94
13	Tsao Chin Mey Jimmy	10,800,000	0.72
14	Goi Seng Hui	8,940,000	0.60
15	DB Nominees (Singapore) Pte Ltd	5,765,100	0.38
16	Sukumaran S/O Ramasamy	3,822,800	0.25
17	Wong Wei Lan	3,558,000	0.24
18	Goh Bee Lan	3,350,000	0.22
19	Jin Hong	3,110,000	0.21
20	OCBC Securities Private Limited	3,109,700	0.21
	TOTAL	**1,413,549,680**	**94.19**

SHAREHOLDING HELD BY THE PUBLIC

Based on the information available to the Company as at 12 March 2024, approximately 16.52% of the issued shares of the Company are held by the public. Accordingly, the Company has complied with the Rules 1207 and 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

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