

ASIA ENTERPRISES HOLDING LIMITED
(Company Registration No: 200501021H)
(Incorporated in Singapore)
(the “Company”)

MINUTES OF ANNUAL GENERAL MEETING

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| PLACE | : | The Chartroom, Level 2, Raffles Marina, 10 Tuas West Drive, Singapore 638404 |
| DATE | : | Monday, 24 April 2023 |
| TIME | : | 10.30 a.m. |
| PRESENT | : | Please see attendance list. |
| IN ATTENDANCE | : | Please see attendance list. |
| CHAIRMAN | : | Mr Lee Bon Leong |

INTRODUCTION

Prior to the commencement of the Annual General Meeting (“**AGM**” or “**Meeting**”), the Managing Director of the Company, Ms Lee Yih Chyi (“**Ms Lee**”) gave a presentation on the performance of the Group for the financial year ended 31 December 2022 to those present at the Meeting.

At 10.35 a.m., the Chairman welcomed all shareholders present at the Meeting of the Company. The Chairman introduced the members of the Board to those present at the Meeting.

It was noted that the Chairman had requested the Company Secretary, Ms Siau Kuei Lian (the “**Company Secretary**”) to assist with the proceedings to take the members through the agenda of the Meeting.

QUORUM

As a quorum was present, on behalf of the Chairman, the Company Secretary called the AGM to order at 10.38 a.m.

NOTICE

The Company Secretary informed the Meeting that Notice of AGM had been sent to members. Pertinent information relating to the proposed Resolutions tabled for the AGM were set out in the Notice of AGM issued on 6 April 2023. As such, the Notice convening the Meeting was taken as read.

The Company Secretary informed the Meeting that the Company had responded to those substantial and relevant questions that are related to the resolutions received from the shareholders through an announcement published on SGXNet on 20 April 2023.

The Company Secretary informed the Meeting that the Chairman had been appointed as a proxy by certain shareholders and would be voting on the motions tabled in accordance with the instruction of the shareholders.

In compliance with Rule 730A of the Listing Manual, the Company Secretary informed that all resolutions tabled at the Meeting would be voted by way of poll and Octant Consulting (S) Pte. Ltd. had been appointed as scrutineers for the conduct of the poll at the Meeting.

For ease of administration, arrangements were made for the poll to be conducted after all the resolutions tabled have been duly proposed and seconded.

CONDUCT OF POLL

The scrutineers gave a briefing on the polling procedures and the completion of the poll voting paper before the conduct of the poll.

ORDINARY BUSINESSES:

1. RESOLUTION 1 – AUDITED FINANCIAL STATEMENTS TOGETHER WITH DIRECTORS’ STATEMENT AND INDEPENDENT AUDITORS’ REPORT

The Meeting proceeded to receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2022 (“FY2022”) and the Auditors’ Report.

On behalf of the Board, the Company Secretary invited shareholders to raise questions on the Audited Financial Statements and the Directors’ Statement.

Throughout the questions and answer session, questions raised by the shareholders of the Company were addressed by the Board of Directors of the Company. There being no further questions, Ms Tan Siew Lan proposed the motion as detailed under item 1 in the Notice of AGM, seconded by Ms Soh May Chwee and put to a poll.

The result of the poll (conducted after tabling of Resolution 7) was as follows:-

| Total No. of Ordinary Shares Cast | No. of Ordinary Shares FOR | % FOR | No. of Ordinary Shares AGAINST | % AGAINST |
|--|-----------------------------------|--------------|---------------------------------------|------------------|
| 193,196,815 | 192,047,715 | 99.41 | 1,149,100 | 0.59 |

Based on the above result, on behalf of the Chairman, the Company Secretary declared Resolution 1 carried.

IT WAS RESOLVED THAT the Directors’ Statement and Audited Financial Statements for FY2022 and the Auditors’ Report be and are hereby received and adopted.

2. RESOLUTION 2 - DECLARATION OF FIRST AND FINAL TAX-EXEMPT (ONE-TIER) DIVIDEND

It was noted that the Directors had recommended the payment of a first and final tax exempt (one-tier) dividend of 0.8 cent per ordinary share for the financial year ended 31 December 2022. The final dividend, if approved, would be paid on 5 June 2023 to entitled shareholders as at the Record Date of 5.00 pm on 18 May 2023.

Mr Ng Kwong Chong proposed the motion as detailed under item 2 in the Notice of AGM, seconded by Ms Nuralisyah Binti Zakariyah and put to a poll.

The result of the poll (conducted after tabling of Resolution 7) was as follows:-

| Total No. of Ordinary Shares Cast | No. of Ordinary Shares FOR | % FOR | No. of Ordinary Shares AGAINST | % AGAINST |
|-----------------------------------|----------------------------|-------|--------------------------------|-----------|
| 193,196,815 | 192,047,715 | 99.41 | 1,149,100 | 0.59 |

Based on the above result, on behalf of the Chairman, the Company Secretary declared Resolution 2 carried.

IT WAS RESOLVED THAT the payment of a first and final tax-exempt (one-tier) dividend of 0.8 cent per ordinary share for the financial year ended 31 December 2022 be and is hereby approved.

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR: LEE BON LEONG

Lee Bon Leong (“**Mr Lee**”), who was retiring as a Director of the Company pursuant to Regulation 104 of the Constitution of the Company, had consented to continue in office. Upon being duly re-elected, Mr Lee will remain as the Independent Non-Executive Chairman, Chairman of the Remuneration Committee and a member of Audit Committee and Nominating Committee. Mr Lee is considered independent for the purpose of Rule 704(8) of the SGX-ST Listing Manual until the conclusion of the next AGM to be held in April 2024, in view of the removal of the Two-Tier Voting mechanism for the Company to retain long-serving Non-Executive Independent Director who have served for more than nine years as announced by the SGX-ST on 11 January 2023.

Mr Teo Kah Kheng proposed the motion as detailed under item 3 in the Notice of AGM, seconded by Mr Lee Yih Lin and put to a poll.

The result of the poll (conducted after tabling of Resolution 7) was as follows:-

| Total No. of Ordinary Shares Cast | No. of Ordinary Shares FOR | % FOR | No. of Ordinary Shares AGAINST | % AGAINST |
|-----------------------------------|----------------------------|-------|--------------------------------|-----------|
| 193,016,815 | 184,054,615 | 95.36 | 8,962,200 | 4.64 |

Based on the above result, on behalf of the Chairman, the Company Secretary declared Resolution 3 carried.

IT WAS RESOLVED THAT Mr Lee be and is hereby re-elected as a Director of the Company.

4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR: TAN KEH YAN, PETER

Tan Keh Yan, Peter (“**Mr Tan**”), who was retiring as a Director of the Company pursuant to Regulation 104 of the Constitution of the Company, had consented to continue in office. Upon being duly re-elected, Mr Tan will remain as the Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. Mr Tan is considered independent for the purpose of Rule 704(8) of the SGX-ST Listing Manual until the conclusion of the next AGM to be held in April 2024, in view of the removal of the Two-Tier Voting mechanism for the Company to retain long-serving Non-Executive Independent Director who have served for more than nine years as announced by the SGX-ST on 11 January 2023.

Ms Tan Siew Lan proposed the motion as detailed under item 4 in the Notice of AGM, seconded by Ms Nuralisyah Binti Zakariyah and put to a poll.

The result of the poll (conducted after tabling of Resolution 7) was as follows:-

| Total No. of Ordinary Shares Cast | No. of Ordinary Shares FOR | % FOR | No. of Ordinary Shares AGAINST | % AGAINST |
|-----------------------------------|----------------------------|-------|--------------------------------|-----------|
| 193,016,815 | 184,221,915 | 95.44 | 8,794,900 | 4.56 |

Based on the above result, on behalf of the Chairman, the Company Secretary declared Resolution 4 carried.

IT WAS RESOLVED THAT Mr Tan be and is hereby re-elected as a Director of the Company.

5. RESOLUTION 5 - DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Board of Directors had recommended the payment of Directors’ fees of S\$186,000 for the financial year ended 31 December 2022.

Ms Soh May Chwee proposed the motion as detailed under item 5 in the Notice of AGM, seconded by Ms Chin Wan Ling and put to a poll.

The result of the poll (conducted after tabling of Resolution 7) was as follows:-

| Total No. of Ordinary Shares Cast | No. of Ordinary Shares FOR | % FOR | No. of Ordinary Shares AGAINST | % AGAINST |
|-----------------------------------|----------------------------|-------|--------------------------------|-----------|
| 193,192,815 | 192,047,715 | 99.41 | 1,145,100 | 0.59 |

Based on the above result, on behalf of the Chairman, the Company Secretary declared Resolution 5 carried.

IT WAS RESOLVED THAT the payment of Directors' fees of S\$186,000 for the financial year ended 31 December 2022 be and is hereby approved.

6. RESOLUTION 6 - RE-APPOINTMENT OF AUDITORS

The retiring auditors, RSM Chio Lim LLP, had expressed their willingness to continue in office.

Mr Lee Yih Lin proposed the motion as detailed under item 6 in the Notice of AGM, seconded by Mr Teo Kah Kheng and put to a poll.

The result of the poll (conducted after tabling of Resolution 7) was as follows:-

| Total No. of Ordinary Shares Cast | No. of Ordinary Shares FOR | % FOR | No. of Ordinary Shares AGAINST | % AGAINST |
|-----------------------------------|----------------------------|-------|--------------------------------|-----------|
| 193,196,815 | 192,047,715 | 99.41 | 1,149,100 | 0.59 |

Based on the above result, on behalf of the Chairman, the Company Secretary declared Resolution 6 carried.

IT WAS RESOLVED THAT RSM Chio Lim LLP be and are hereby re-appointed as Auditors of the Company until the next AGM and the Directors be authorised to fix their remuneration.

ANY OTHER BUSINESS:

As there was no other ordinary business, the Meeting proceeded to deal with the special business outlined in the Notice convening the AGM.

SPECIAL BUSINESS:

7. RESOLUTION 7 - AUTHORITY TO ISSUE SHARES IN THE CAPITAL OF THE COMPANY PURSUANT TO SECTION 161 OF THE COMPANIES ACT 1967 AND RULE 806 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

On behalf of the Chairman, the Company Secretary informed the Meeting that Resolution 7, if passed, would empower the Directors of the Company from the date of this AGM until the date of the next AGM to issue shares and convertible securities not exceeding the quantum set out in this resolution.

Ms Chin Wan Ling proposed the motion as detailed under item 8 in the Notice of AGM, seconded by Ms Tan Siew Lan and put to a poll.

The result of the poll (conducted after tabling of Resolution 7) was as follows:-

| Total No. of Ordinary Shares Cast | No. of Ordinary Shares FOR | % FOR | No. of Ordinary Shares AGAINST | % AGAINST |
|-----------------------------------|----------------------------|-------|--------------------------------|-----------|
| 193,196,815 | 183,188,575 | 94.82 | 10,008,240 | 5.18 |

Based on the above result, on behalf of the Chairman, the Company Secretary declared Resolution 7 carried.

IT WAS RESOLVED THAT pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the SGX-ST Listing Manual, the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company ("**shares**") whether by way of rights issue, bonus issue or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the "**Share Issue Mandate**")

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a *pro rata* basis to existing shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury

shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the total number of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new shares arising from the conversion or exercise of convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of SGX-ST Listing Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;

adjustment in accordance with (2)(a) and (2)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of this Resolution.

- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the SGX-ST Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

CONCLUSION

There being no other business to be transacted, on behalf of the Chairman, the Company Secretary declared the AGM closed at 12.03 p.m. and thanked everyone for their attendance.

CONFIRMED AS A TRUE RECORD OF THE PROCEEDINGS HELD

LEE BON LEONG
CHAIRMAN

Questions and Answers Session

- Question 1 : Mr Ng Kwong Chong (“**Mr Ng**”) expressed his concern that the business of the Company has not shown any growth despite having nearly S\$100 million of capital. He urged the Board to explore strategies to expand the business and enhance the shareholders’ value.
- Answer 1 : Ms Lee responded that steel business is a highly capital-intensive business. Therefore, the Board has been adhering to three guiding principles to safeguard the interests of the shareholders. These principles are (i) avoid excessive stocks purchase, (ii) avoid excessive borrowing and (iii) monitor credit control. Ms Lee agreed that there are plenty of opportunities to grow the business, however, the Board would remain focused on the business they know well instead of venturing into any other industry without having deep knowledge. She shared that the Company’s revenue has increased despite the COVID-19 pandemic that has hit the global economy in the past few years.
- Question 2 : Mr Ng further indicated that the Company was too conservative in utilising the capital. He opined that the Company should use the significant amount of capital to expand the business. Alternatively, the Company should consider to return the excess capital back to the shareholders by way of capital reduction.
- Answer 2 : The Management noted. Ms Lee shared that the Company has been consistently paying an annual dividend of more than 40% of the profits to the shareholders. She added that there were several years when the Company paid more than 100% of the profits to the shareholders despite lower level of profits, and this indicates that the Company is returning the capital back to its shareholders.
- Question 3 : Mr Lew Cheng Hwee (“**Mr Lew**”) referred to page 38 of the annual report and sought clarification on the fair value loss of more than S\$700,000 for the financial year ended 31 December 2022.
- Answer 3 : In response to Mr Lew’s query above, Ms Lee explained that as part of cash management, the Company allocated a portion of its excess cash into investments that could generate better returns than fixed deposit, especially during last few years when the interest rate was very low. However, the Company had suffered marked-to-market loss due to the negative economic conditions last year. Ms Lee shared that despite marked-to-market losses, the investments are performing in line with the general economy. The Management will continue to monitor the investments. Mr Tan Keh Yan, Peter added that the Board has also established some reasonably conservative criteria for the investments.
- Question 4 : Mr Ng opined that investing the excess cash in bonds for extra earnings was not the best option, given that the ordinary business of the Company is to conduct steel trading. Instead, he suggested returning the excess capital to the shareholders to improve the Return on Equity (“**ROE**”) as the market would generally expect a listed company’s ROE to be above 10%. He added that the Company could utilise the bank credits to fund the working capital.

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- Answer 4 : Ms Lee explained that the Management has been running the business in a safe and steady manner, and although it is conservative, this approach has served the Company well especially during times of crisis such as the Lehman crisis. Ms Lee added that the Board is always exploring other opportunities for the Company, but the Management would conduct a very thorough studies to ensure its suitability and sustainability. She assured that the utmost priority of the Board is to safeguard the interest of all of its shareholders.
- Question 5 : Mr Tan Eng Keong (“**Mr Tan**”) sought clarification on the rationale that the Company bought the long-term corporate bonds with maturity dates of more than 100 years.
- Answer 5 : Ms Lee replied that most of the bond investments made by the Company are embedded with call options to redeem the bonds as well as conversion rules in case the call options to redeem these bonds are not taken up by the issuers. In addition, depending on the mode of issuance, these perpetual bonds can be traded publicly or over-the-counter if the Company decides to liquidate any of its positions. She added that the Company has limited their investments to bonds issued by financial institutions. The Company intends to hold the bonds to the earlier of call or maturity date.
- Question 6 : Mr Tan further enquired on the amount of the bond investments that are below fair value and who is in the investment committee overseeing the investments.
- Answer 6 : Ms Lee responded that the bond portfolio is not monitored on a fair value basis as the Company has adopted the amortize at cost approach for these bonds. She informed the Meeting that the investment committee comprises of members from the Board and the Management. Thus far, investment decisions have been executed based on unanimous approval from the investment committee.
- Question 7 : Mr Ng opined that the Management should not be focusing on the investments, instead it should use the capital to make at least 10% of ROE per year.
- Answer 7 : The Management noted and assured the shareholders that steel trading is the main focus of the Company.