

RECONSTITUTION OF THE BOARD AND BOARD COMMITTEES

The board of directors (the “**Board**”) of AsiaPhos Limited (the “**Company**”, and collectively with its subsidiaries, the “**Group**”) wishes to announce the following changes to the Board of Directors and Board Committees with effect from 3 May 2019:

- (a) the cessation of Mr Hong Pian Tee as Independent Director, Chairman of the Board and Member of the Audit and Remuneration Committees
- (b) the cessation of Mr Ong Eng Siew Raymond (“**Mr Raymond Ong**”) as Non-Executive and Non-Independent Director
- (c) the cessation of Ms Ong Bee Pheng as Non-Executive and Non-Independent Director
- (d) the appointment of Mr Goh Yeow Tin as Chairman of the Board
- (e) the appointment of Dr Ong Hian Eng as a member of the Remuneration Committee
- (f) the appointment of Mr Ong Eng Hock Simon (“**Mr Simon Ong**”) as a member of the Audit Committee

Mr Simon Ong will be considered non-independent under Rule 704(7) of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).

The Board would like to take the opportunity to extend its gratitude and appreciation to Mr Hong Pian Tee, Mr Raymond Ong and Ms Ong Bee Pheng for their past services and invaluable contributions during their tenures with the Company.

Further particulars of the cessations pursuant to the requirements of Rule 704(6) of the Catalist Rules have been announced separately.

Following the aforesaid changes, the composition of the Board of Directors and Board Committees shall be as follows:

BOARD OF DIRECTORS	
Name	Designation
Goh Yeow Tin	Non-Executive Chairman and Independent Director
Ong Hian Eng	Chief Executive Officer
Simon Ong	Executive Director
Francis Lee Fook Wah	Non-Executive and Independent Director

AUDIT COMMITTEE (“AC”)	
Name	Designation
Francis Lee Fook Wah	Chairman
Goh Yeow Tin	Member
Simon Ong	Member

NOMINATING COMMITTEE (“NC”)	
Name	Designation
Goh Yeow Tin	Chairman
Francis Lee Fook Wah	Member
Ong Hian Eng	Member



REMUNERATION COMMITTEE (“RC”)	
Name	Designation
Goh Yeow Tin	Chairman
Francis Lee Fook Wah	Member
Ong Hian Eng	Member

The Board wishes to inform that in view that the Group has substantially reduced its operations, Mr Hong Pian Tee, Mr Raymond Ong and Ms Ong Bee Pheng have decided to resign to enable the Company to save on directors’ fees, which will benefit stakeholders in the long run.

The Board noted that following the reconstitution of the Board, the Non-Executive Directors will not make up a majority of the Board. As such, the Company will not be in compliance with, *inter alia*, Provision 2.3 of the Code of Corporate Governance 2018 (the “Code”), which provides that non-executive directors are to make up a majority of the Board. The Board is of the opinion that the remaining Non-Executive Directors, namely Mr Goh Yeow Tin and Mr Francis Lee Fook Wah, who are also considered independent under the Code and Catalyst Rules, have consistently demonstrated that they are independent in conduct, character and judgement, and that as such, the Board has an appropriate level of independence and diversity of thought and background in its composition.

As Dr Ong Hian Eng will become the new member of the RC, the Company will not be in compliance with Provision 6.2 of the Code, which provides that all members of the RC are to be non-executive directors. The Board is of the opinion that as Dr Ong Hian Eng shall abstain from voting on any resolutions and making any recommendation and/or participating in deliberations in respect of matters in which he has interest in and taking into account that the majority of the RC members are non-executive and independent directors, the independence of the RC will not be affected by its reconstitution and that it will be able to continue to discharge its duties effectively and objectively.

As Mr Simon Ong will become the new member of the AC, the Company will not be in compliance with Provision 10.2 of the Code, which provides that all members of the AC are to be non-executive directors. The Board is of the opinion that as Mr Simon Ong is a qualified accountant, he has the relevant expertise to discharge the functions of an AC member. Additionally, he was neither a former partner of the Company’s existing external auditor, Ernst & Young LLP, within the previous 12 months nor has any financial interest in the firm. Further, as Mr Simon Ong shall abstain from voting on any resolutions and making any recommendation and/or participating in deliberations in respect of matters in which he has interest in and taking into account that the majority of the AC members are non-executive and independent directors, the independence of the AC will not be affected by its reconstitution and that it will be able to continue to discharge its duties effectively and objectively.

The Board, with the concurrence of the NC, is of the view that following the reconstitution of the Board, the Company is in compliance with Provision 2.4 of the Code as the new Board comprises persons who, as a group, provide an appropriate balance and diversity of skills, experience and knowledge of the Company, as well as the necessary core competencies and that the new Board size is appropriate, taking into consideration the nature and scope of the Group’s operations.



BY ORDER OF THE BOARD

Simon Ong Eng Hock
Executive Director
AsiaPhos Limited

3 May 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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