



ASIA ENTERPRISES HOLDING LIMITED

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(Company Registration No. 200501021H)

(Incorporated in Singapore)

(the "Company")

REPLY TO SGX QUERY REGARDING RE-DESIGNATION OF MR TEO KENG THWAN

The Board of Directors (the "Board") of ASIA ENTERPRISES HOLDING LIMITED ("Asia Enterprises" or the "Company") wishes to respond to the query raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") via email dated 11 July 2019 ("SGX Query").

SGX Query:

It is stated in the SGXNet announcement of 8 July 2019, "Mr Teo Keng Thwan ("Mr Teo") has been re-designated from Non-Executive Non-Independent Director to Independent Director with effect from 7 July 2019". Please elaborate on the assessment of Mr. Teo's independence in view of his re-designation from Non-Executive Non-Independent Director to Independent Director.

Company's Response:

In considering Mr. Teo's independence, the Board and the Nominating Committee ("NC") have considered the following factors:-

1. On 6 June 2019, Minh-Chieh Investments Pte Ltd, a company in which Mr. Teo holds a deemed interest, ceased to be a substantial shareholder of Asia Enterprises.
2. As such, Mr. Teo satisfies the definition of independence, as outlined in Provision 2.1 of the 2018 Code of Corporate Governance.
3. Mr. Teo has the requisite qualifications and expertise to provide views independent of the Company's management, which will act as checks and balances to safeguard the Company's assets and shareholders' interests.
4. Mr. Teo has completed his personal declaration of independence which has been reviewed and concurred by the Board and the NC.
5. The Board is confident that Mr. Teo is able to provide sound judgement and guidance to the Company's management and the Board in the interest of all the Company's stakeholders.

After taking into consideration the factors above, the Board with the concurrence of the NC, is satisfied that Mr. Teo has the ability to fulfill his role as an independent director of Asia Enterprises. Mr. Teo has abstained from voting on resolutions that relate to his re-designation.

By order of the Board

Lee Yih Chyi
Managing Director
12 July 2019