



ASIA ENTERPRISES HOLDING LIMITED

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(Company Registration No. 200501021H)

(Incorporated in the Republic of Singapore)

**ANNUAL GENERAL MEETING TO BE HELD ON 25 JUNE 2020
RESPONSES TO QUESTIONS FROM SHAREHOLDERS**

The Board of Directors of Asia Enterprises Holding Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to thank shareholders for submitting their questions in advance of the Annual General Meeting (“AGM”) to be held on 25 June 2020 at 10.00 a.m. by way of electronic means.

The following are the Company’s responses to substantial and relevant questions that were raised by shareholders.

Q1. How did the Covid-19 restrictions impact your operations in Singapore? How much of your operations has resumed?

The Group had on 8 April 2020 announced an update that we received approval to continue with our steel distribution business during the circuit breaker period in Singapore.

Prior to April 2020, the Group saw relatively stable sales from the Singapore market. However, following the restrictions put in place by the Singapore government during the circuit breaker to curb the spread of Covid-19, we witnessed a delay in end-users’ projects due to workforce and supply chain disruptions. This has adversely affected end-users’ demand for steel products in Singapore market during the second quarter of 2020 when compared to the first three months of the year.

On the other hand, we continued to supply to customers in overseas markets, although activities have also slowed in recent months amid varying degrees of disruption due to the Covid-19 pandemic.

Q2. Can you give us an update on the outlook for your business, in particular for the offshore & marine sector in Singapore and Indonesia shipbuilding?

Given continued uncertainty surrounding the evolving Covid-19 pandemic, there is limited visibility on business outlook as it is difficult to ascertain the full effect of the pandemic on the global economy.

Projects in the offshore and marine sector in Singapore could slow down, as weaker crude oil prices and reduced demand amid the Covid-19 pandemic may affect the investment plans and budgets. Although current demand conditions for steel products from Indonesia’s shipyards appear to be faring slightly better compared to the situation in Singapore, we remain cautious of the ensuing effect that Covid-19 could have on economic and business activities.

Hence, the Group will continue to exercise prudence and vigilance in its sales, inventory and credit management to safeguard our financial position. The Group continues to have a strong balance sheet which will position us well to withstand challenging market conditions. At the end of December 2019, the Group had cash of over S\$40 million and no debt.

By Order of the Board

Lee Yih Chyi
Managing Director
24 June 2020

About Asia Enterprises

Since 1973, Asia Enterprises has grown into a major distributor of a wide range of steel products to industrial end-users in Singapore and the Asia-Pacific region. It has also built a strong reputation in the marine and offshore sector.

Asia Enterprises presently owns three facilities in Singapore – a multi-storey warehouse, a single-storey warehouse and a steel processing plant-cum-warehouse – with a total combined land area of 45,934 square metres. Asia Enterprises supplies over 1,200 steel products to more than 700 active customers involved primarily in marine and offshore, oil and gas, construction, as well as precision metal stamping, manufacturing and engineering/fabrication industries.

The Group was listed on the Main Board of the SGX-ST on 1 September 2005.

For further information on Asia Enterprises, please visit the Group's website at: www.asiaenterprises.com.sg

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