



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 21 APRIL 2022
- 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 21 April 2022 at 2.30 p.m. by way of electronic means.

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

QUESTIONS FROM SHAREHOLDERS

Q1. The share price has been languishing below the NTA for many years. What will the management do to enhance shareholders' value?

Share price movements can be influenced by various external factors including market sentiment, economic environment, industry and business conditions among others. The operating conditions for steel distribution business grew more challenging after the collapse in oil prices more than five years ago, which led to a decline in activities of marine and offshore end-users which is a key target customer segment of the Group. During this period, the Group had to deal with the sharp decline in international steel prices, drop in end-user demand and heightened competition. The onset of the Covid-19 pandemic has also exerted further pressure on business conditions. In the face of the tough operating backdrop, the Group’s focus has been on sustaining its business while safeguarding its financial health to ensure that it could ride out the difficult business periods, and capitalise on opportunities when the market recovers.

For the last financial year ended 31 December 2021 (“FY2021”), the Group saw a recovery in net profit as it benefited from higher international steel prices. While the external economic environment continues to present significant uncertainties, the Group is keeping an eye on potential recovery in steel end-users’ activities, particularly within the marine and offshore industry in the region. Nonetheless, the Group will continue to remain prudent in view of volatile conditions in the steel industry.

Keeping our focus on a sound and debt-free balance sheet has also allowed the Group to extend our dividend track record since 2005. To this end, the Group has consistently distributed dividends to shareholders amounting to at least 40% of net profit, and also continued to pay dividends even when the Group recorded a loss in FY2015. Going forward, the Group plans to seek opportunities to increase customer engagement to grow its steel distribution business while maintaining emphasis on financial health, as it aims to enhance shareholder value.

Q2. The company's cash holding is 13 cents per share. Will the company consider returning the excess to the shareholders?

The Company currently does not have a share buyback mandate in place. However, as mentioned in the response to Q1, the Group has continued to distribute dividends to shareholders since FY2005. Steel distribution business remains a capital-intensive business especially amid current environment of rising price of steel materials. Nevertheless, the Board will consider your feedback and evaluate the effectiveness of possible options to drive returns for shareholders.

By Order of the Board

Lee Yih Chyi
Managing Director

14 April 2022

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 two facilities in Singapore – a multi-storey warehouse and a steel processing plant-cum-warehouse – with a total combined land area of 33,769 square metres.

The Group supplies over 1,200 steel products to more than 700 active customers involved primarily in marine and offshore, engineering/fabrication, oil and gas, construction, as well as precision metal stamping and manufacturing industries.

Asia Enterprises 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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