ASIA ENTERPRISES HOLDING LIMITED

MAJOR REGIONAL DISTRIBUTOR OF
STEEL PRODUCTS TO INDUSTRIAL END-USERS

21 APRIL 2016

ANNUAL GENERAL MEETING

FY2015

CORPORATE **OVERVIEW**

ASIA ENTERPRISES HOLDING LIMITED

MAJOR REGIONAL STEEL DISTRIBUTOR

- Established since **1961**
- Focus on **INDUSTRIAL END-USERS**
- Specialist in distribution of steel products to **MARINE AND OFFSHORE SECTOR**
- Broad customer base in **ASIA PACIFIC REGION**
- One of Singapore's **LARGEST SUPPLIERS** of steel products

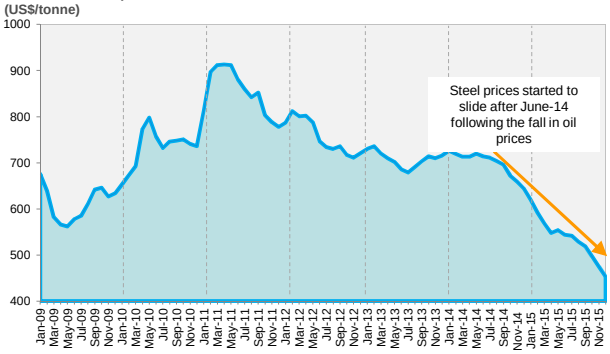


FY2015 **BUSINESS REVIEW**

ASIA ENTERPRISES HOLDING LIMITED

Global steel industry experienced one of the most severe downturns in history

MEPS Global Composite Carbon Steel Price* (US$/tonne)



SOURCE : MEPS

**Prices illustrate the general steel price trend and are not representative of the Group's buying/selling prices*

- MEPS Global Steel Price declined in 2015
  - Sluggish global demand
  - Excess capacity in the steel supply chain
- Spot prices in China reached record lows
  - Slower domestic demand
  - Steel exports from China reached record amounts at low prices
- Difficult operating conditions in FY2015
  - Intense competition amid weak steel demand
  - Persistent decline in steel prices led to a write-down in value of the Group's inventory

FINANCIAL **SUMMARY**

ASIA ENTERPRISES HOLDING LIMITED

Financial performance affected by weak end-user demand during the year, and inventory write-down in 4Q15

(S$ million)	FY2015	FY2014	y-o-y change (%)
Revenue	**32.3**	65.1	(50)
Gross Profit	**3.7**	8.6	(57)
GP Margin	***11.4%***	*13.2%*	-
Other Income	**1.1**	1.6	(45)
Selling and Administrative costs	**(6.4)**	(7.4)	(14)
Finance and Other Charges	**(10.5)**	(0.6)	n.m.
Profit / Loss Before Tax	**(12.2)**	2.1	n.m.
Net Profit / Loss	**(12.1)**	2.0	n.m.
Net Profit / Loss to equityholders	**(12.1)**	1.9	n.m.

Due mainly to inventory write-down of S$9.8M

FY: Financial years ending 31 December

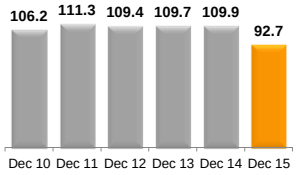
SOUND **FINANCIAL POSITION**

ASIA ENTERPRISES HOLDING LIMITED

Maintained strong balance sheet; Well-positioned to withstand challenges

	31 Dec 15	31 Dec 14
Cash	**68.4**	67.0
Debt (incl trust receipts)	**0.0**	0.7
Net Cash	**68.4**	66.3

Equity (S$ million)



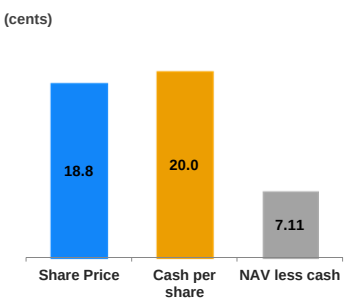
As at 31 Dec 2015

NAV per share = 27.11 cents

Price-to-book ratio = 0.69 times*

*based on share price of 18.8 cents on 12 April 2016

Share Price is fully backed by Cash

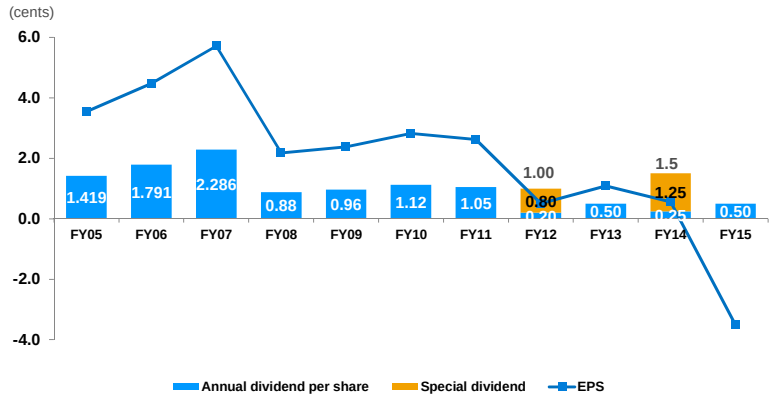


DIVIDEND **TRACK RECORD**

ASIA ENTERPRISES HOLDING LIMITED

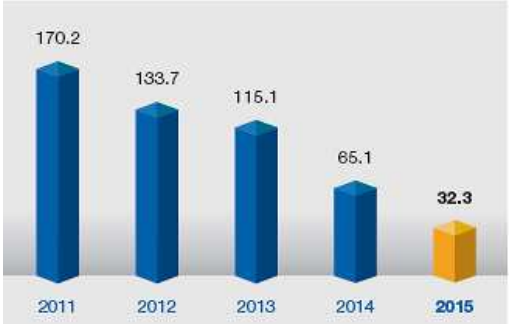
Proposing final dividend of 0.5 cents despite incurring a loss in FY2015

Annual dividend payout of at least 40% since FY2005

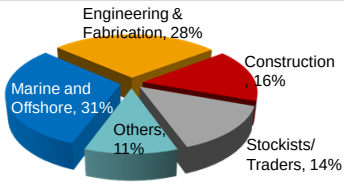


GROUP **REVENUE**

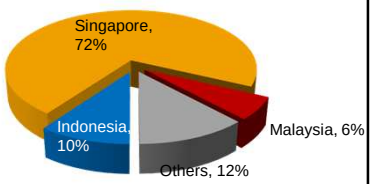
S$ M



By Customer Segment



By Geographical Market*

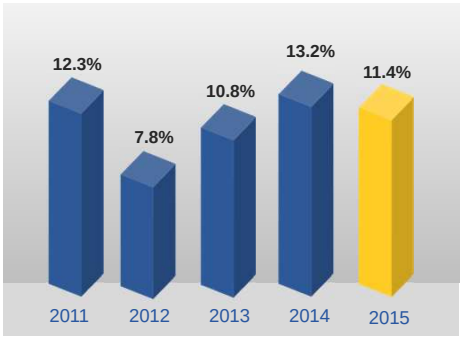


Revenue in FY2015 down 50%

- Lower steel requirements from major end-user industries due to softness in commodity markets, such as oil and coal
- Revenue fell due to contraction in sales volume and lower ASP

*Based on shipment destination

GROSS PROFIT **MARGIN**



GP Margin softened to 11.4% in FY2015

- Due mainly to declining ASP during the year as steel prices continued to drift lower

NET PROFIT **ATTRIBUTABLE TO SHAREHOLDERS**

ASIA ENTERPRISES HOLDING LIMITED

S$ M



Net loss for FY2015

- Due mainly to inventory write-down of S$9.8 million in 4Q15
- Maintained a tight rein on operating overheads and expenses
- Cost controls measures were insufficient to mitigate the impact of lower revenue and inventory write-down

GROUP **OUTLOOK**

ASIA ENTERPRISES HOLDING LIMITED

Remain confident of Asia Enterprises' ability to endure this period of slower business activity

Challenging operating environment
as steel demand from key end-user industries is likely to remain modest

Short-term volatility of steel prices
due to tighter supply conditions in China

Intense competition
expected to prevail in the steel distribution industry

- ✓ **Strong balance sheet** – High cash balance, zero debt, minimal liabilities
- ✓ **Experienced management team** – Navigated the Group through several economic and business cycles
- ✓ **Focused on sustainability** – Financial discipline and lean operating structure
- ✓ **Ready for recovery** – Positioned to capitalise on recovery opportunities
  Undertaking warehouse redevelopment during slowdown

Proposing Share Buyback Program

SAFE HARBOUR FOR **FORWARD-LOOKING STATEMENTS**

ASIA ENTERPRISES HOLDING LIMITED

This presentation contains certain statements that are not statements of historical fact, i.e. forward-looking statements. Investors can identify some of these statements by forward-looking items such as 'expect', 'believe', 'plan', 'intend', 'estimate', 'anticipate', 'may', 'will', 'would', and 'could' or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. These forward-looking statements are based on current expectations, projections and assumptions about future events. Although Asia Enterprises Holding Limited believes that these expectations, projections, and assumptions are reasonable, these forward-looking statements are subject to the risks (whether known or unknown), uncertainties and assumptions about Asia Enterprises Holding Limited and its business operations.

Some of the key factors that could cause such differences are, among others, the following:

- changes in the political, social and economic conditions and regulatory environment in the jurisdictions where we conduct business or expect to conduct business;
- the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;
- changes in currency exchange rates;
- changes in customer preferences and needs;
- changes in competitive conditions in the steel industry and our ability to compete under these conditions;
- changes in pricing for our products; and
- changes in our future capital needs and the availability of financing and capital to fund these needs.

Given these risks, uncertainties and assumptions, the forward-looking events referred to in this presentation may not occur and actual results may differ materially from those expressly or impliedly anticipated in these forward-looking statements. Investors are advised not to place undue reliance on these forward-looking statements.

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