



Asia Enterprises Holding Limited

SGX Main Board (ASEH SP / ASEH.SI)

Major Regional Distributor of Steel Products to Industrial End-Users

Asia Enterprises is a leading steel distributor in Singapore, serving diverse industrial end-users in Asia Pacific

investment proposition

Profitability track record	<ul style="list-style-type: none"> Strong record of annual profits since inception Weathered multiple economic downturns 	STOCK INFORMATION	
Strong business fundamentals	<ul style="list-style-type: none"> Proven management capability and strategy Excellent reputation with established customer & supply network 	Price (05/10/2020)	S\$0.120
Regular dividend payouts	<ul style="list-style-type: none"> Annual dividend of at least 40% of earnings since listing in 2005 	Shares Issued	341.1m
Healthy balance sheet	<ul style="list-style-type: none"> Emphasis on sound financial practices Buffers against market slowdowns; ready for organic expansion and/or acquisitive opportunities 	Market Cap	S\$40.9m
Strength in marine and offshore	<ul style="list-style-type: none"> Established status and competitive edge in supply of steel products to marine and offshore-related customers 	Free Float	~45%
		Major Shareholders	Shenton Investment (37.3%) Sin Hock Chong (6.3%) Harmaidy (5.4%)
		Listing date	1 September 2005

business overview

- Distributes steel products to industrial end-users in Asia Pacific and operates a steel processing facility to provide customised sizes of steel coils and sheets**
- Product inventory :**
 - 25 product categories comprising over 1,200 items of steel products
- Customer base :**
 - Singapore, Indonesia, Malaysia and other Asia Pacific markets
 - Marine and offshore, construction, engineering/fabrication, oil and gas, precision metal stamping, manufacturing
 - More than 700 active customers
- Storage facilities:**
 - 3 facilities : a multi-storey warehouse, a single-storey warehouse and a warehouse-cum-steel processing facility
 - Combined land area of 45,934 square metres
- Supply network:**
 - Source products from diverse network of steel mills and international steel traders worldwide
- Key intermediary role between steel mills and end-users:**
 - Bridges time lag between production and usage with JIT delivery
 - Offers end-users a variety of products and flexible order sizes

PRODUCT RANGE

SHIPBUILDING PLATES / HIGH TENSILE PLATES
HOT-ROLLED PLATES / CHEQUERED PLATES
WIDE-FLANGED BEAMS
BULB FLATS
CHANNELS
EQUAL ANGLES / UNEQUAL ANGLES / INVERTED ANGLES
ROUND BARS / SQUARE BARS / FLAT BARS
HOLLOW SECTIONS
SEAMLESS / ERW API GRADE PIPES
SERRATED GALVANISED GRATINGS
COLD-ROLLED STEEL COILS / SHEETS
ELECTRO-GALVANISED STEEL COILS / SHEETS
HOT-DIPPED GALVANISED STEEL COILS / SHEETS
STAINLESS STEEL COILS / SHEETS

corporate history

1961
Incorporation in Singapore
1973
Mr Lee Choon Bok appointed as MD to focus on steel distribution
1980
Acquired one of Singapore's largest covered warehouses
1985
Established steel processing JV
1996
Acquired second warehouse
2003
Acquired third warehouse
2005
Listed on SGX Main Board
2007
Forbes Asia's 200 Best Under A Billion award
2010
Ms Yvonne Lee appointed as MD
2011
Completed 1-for-4 bonus share issue
2013
Marked 40 th year in the steel business
2015
10 th year of listing on SGX Mainboard

business strengths

- **Established reputation and network**
 - Exposure to different customer industries and geographies
 - Wide network of established and reliable suppliers
- **Specialist in distribution of steel products to marine and offshore sectors**
 - Long-term relationships with companies such as Keppel Offshore & Marine group and SembCorp Marine group of companies, as well as the mid-tier and regional yards
- **Strong industry expertise**
 - Over 40 years of experience in steel industry
- **Sizeable infrastructure and wide product offering**
 - Heavy investment in storage and equipment facilities
 - Substantial inventory with diverse range of products to provide JIT delivery
- **Disciplined and prudent inventory and credit risk management**
 - Sound financial position to withstand market volatility
- **Proven management capability and strategy**
 - Navigated the Group through several economic and business cycles
 - Commendable track record of profitability

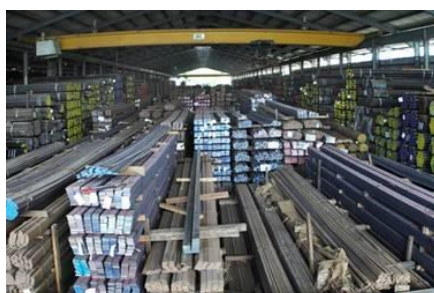
corporate strategy

- Carbon steel is a key and basic material that will continue to be used for various applications from shipbuilding, steel structures, infrastructure to construction

Primary revenue sources	<ul style="list-style-type: none"> • Steel distribution • Steel processing
Long term drivers	<ul style="list-style-type: none"> • Steel industry growth led by higher end-user activities • Increase market share and penetrate new markets
Strategies	<ul style="list-style-type: none"> • Sustain and grow position in the industry • Develop business prospects with new customers in primary markets and other Asia Pacific markets • Broaden range of steel products to increase customer penetration and win new customers • Consistently apply prudent financial and management principles <ul style="list-style-type: none"> – Withstand market volatility – Ability to capitalise on favourable steel market trends

Key Business Risks:

Steel price fluctuations | Inventory holding costs | Cyclical slowdown in customer industries | Customer credit risks



financial data

P&L SNAPSHOT (S\$ million)					KEY STATISTICS				
	FY2016	FY2017	FY2018	FY2019		FY2019			
Revenue	30.9	30.8	37.8	40.2	Price to Sales	1.0 times			
Gross Profit	8.1	8.6	7.9	7.0	Price to Earnings	58.4 times			
Net Profit	2.4	1.2	1.5	0.5	Price to NAV	0.4 times			
PATMI	2.3	1.4	1.7	0.7	Dividend Yield	4.2%			
EBITDA	2.0	2.9	3.0	2.8					
BALANCE SHEET (S\$ million)					PER SHARE DATA (cents)				
	FY2016	FY2017	FY2018	FY2019		FY2016	FY2017	FY2018	FY2019
Current Assets	79.2	79.4	77.7	75.4	EPS*	0.68	0.41	0.50	0.20
LT Assets	24.0	25.0	26.1	34.2 [#]	Cash / Share	17.7	16.8	14.3	13.9
Current Liabilities	3.4	4.6	4.4	4.0 [#]	NAV / Share	27.32	27.43	27.43	27.94
LT Liabilities	0.7	0.7	0.6	10.3 [#]	DPS*	0.3	0.5	0.5	0.5
Equity	93.2	93.6	93.6	95.3	REVENUE BREAKDOWN (FY2019)				
KEY FINANCIAL RATIOS (%)					Marine and offshore	60%	Singapore	65%	
GP Margin	26.4%	27.8%	20.9%	17.4%	Engineering/fabrication	13%	Indonesia	25%	
NP Margin	7.7%	4.0%	4.0%	1.3%	Construction	10%	Malaysia	6%	
Net Gearing	Zero borrowings	Zero borrowings	Zero borrowings	Zero borrowings	Stockists & traders	11%	Others	4%	
					Others	6%			

FY : Financial year ended 31 December

* Annualised

Included right-of-use assets and lease liabilities as a result of adoption of SFRS(I) 16

key management

Managing Director – Ms Yvonne Lee (substantial shareholder)

Direct and deemed interest = 38.48%

Group Financial Controller – Ms Kwek Siew Yuen

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