



Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Email: admin@sias.org.sg
www.sias.org.sg
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GST Reg No: M90367530Y0Y

Issuer: Asia Enterprises Holding Limited

Stock code: A55

Meeting details:

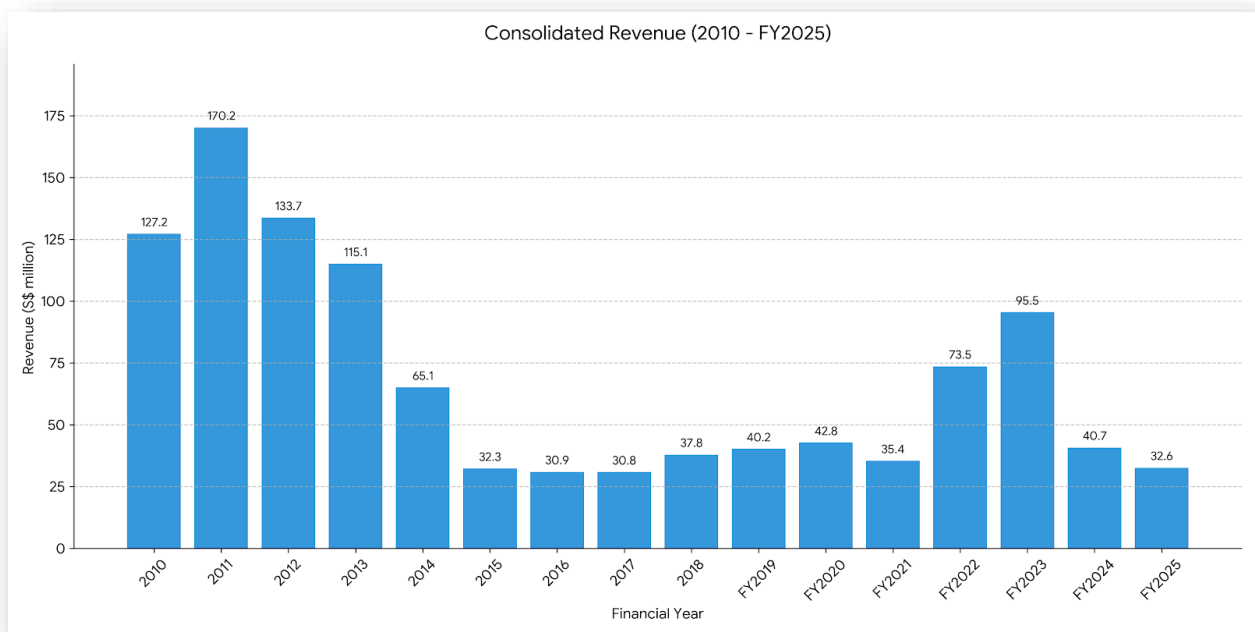
Date: 17 April 2026

Time: 10.30 a.m.

Venue: The Bridge Room, Level 2, Raffles Marina, 10 Tuas West Drive, Singapore 638404

Q1. In FY2025, revenue declined by 20% year-on-year to \$32.6 million, from \$40.7 million in FY2024, due to lower sales volume and softer average selling prices amid competitive market conditions. Despite this, the group reported a net profit of \$1.3 million, compared with \$0.4 million in FY2024, supported by improved gross margins and contributions from associates.

Over a longer horizon, revenue has declined significantly from a peak of approximately \$170 million in 2011 to current levels, indicating a sustained contraction in the business. The current level of turnover is even lower than the revenue recorded during the COVID-19 pandemic, a period marked by unprecedented structural and operational lockdowns. The long-term trend suggests a more fundamental erosion of the group’s competitiveness and/or market position.



(Compiled from company annual reports)

- (i) Considering the revenue has contracted by more than 80% over the last 15 years, what specific pro-active measure is management taking to reverse this trajectory? Does the board believe the current business model remains viable, or is the group now operating in a state of managed decline?**
- (ii) Can management provide concrete examples of new customer wins, product development or innovation initiatives over the past three years, and how these are expected to translate into revenue growth?**

- (iii) What are the group's organic growth prospects? What specific guidance and performance benchmarks has the board set for management regarding organic growth and market share?**

Q2. In 2025, the group acquired a 28.64% non-controlling stake in GKE Metal Logistics Pte. Ltd.¹ for an aggregate consideration of \$8.86 million, satisfied through the issuance of 28.4 million new shares at an issue price of \$0.312 per share.

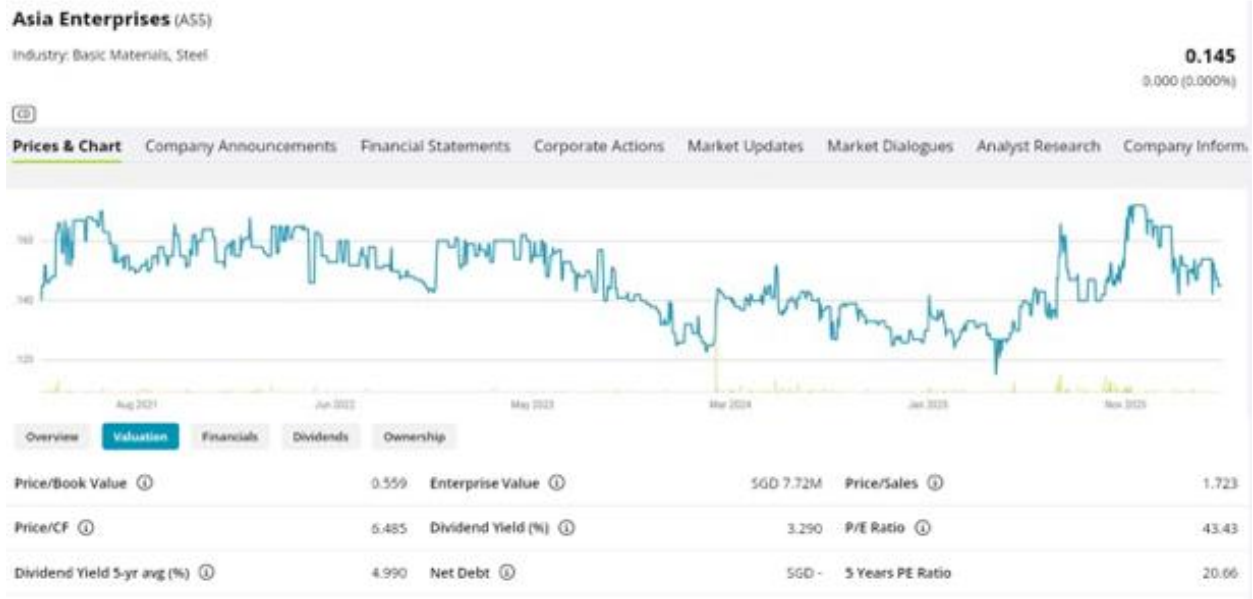
The book value of the sales shares was \$4.5 million (as at 30 June 2024) while the group's last reported own net asset value per share was \$0.2855. The transaction effectively implied that the company paid a 100% *premium* to the target's book value while issuing new shares at a 10% premium.

Following the completion of this acquisition, Mr Li Jing has been appointed to the board of directors.

- (i) What is the strategic rationale for acquiring a non-controlling stake in GKE Metal Logistics, and how does the group intend to create value without control? What specific rights or influence does the group have over key operational and financial decisions?**
- (ii) Has Ms Lee Yih Chyi been appointed to the board of the associate company? What governance arrangements are in place to safeguard the group's interests in the associate, including board representation and information rights?**
- (iii) How did the board assess the valuation of this transaction, particularly the decision to acquire at a premium to book value while issuing shares at a lower relative multiple?**
- (iv) Are there put or call options within the shareholders' agreement that would allow the group to progressively consolidate its ownership of GKEML, subject to favourable operating performance?**

Q3. The company trades at a significant discount of approximately 45% to its book value. According to SGX StockFacts, despite a market capitalisation of about \$55 million, its enterprise value is less than \$8 million. As noted in the financial and business review, the group holds cash and cash equivalents of \$58.5 million and has no bank borrowings as at 31 December 2025.

¹ GKE Metal Logistics Pte. Ltd. is a Singapore-based London Metal Exchange (LME) approved warehouse operator that offers warehousing, logistics and inventory pledge management services in Singapore, Malaysia, Hong Kong and South Korea. Its subsidiaries in China are approved warehouse operators for the Shanghai Futures Exchange ("SHFE") and the Shanghai International Energy Exchange ("INE"). GKEML Group serves as a custodian for the storage and handling of non-ferrous metals traded on these exchanges.



(Source: <https://investors.sgx.com/market/securities?code=A55&type=stocks&lang=en>)

Stock exchanges and regulators worldwide, including Tokyo Stock Exchange (TSE) and Korea's Financial Services Commission (FSC), have been pushing for improved corporate valuations. The Review Group formed by the Monetary Authority of Singapore (MAS) has introduced measures to strengthen the equity market, focusing on improving liquidity and fair valuation for listed companies. Despite the STI reaching all-time highs in 2026, the company's shares have traded quite flatly over a 5-year period (as shown above).

- (i) **What has been the total shareholder return (TSR) over the past 5, 10 and 15 years? Has the board tracked the TSR and is it satisfied with the company's performance?**
- (ii) **What key performance indicators does the board use to evaluate management's effectiveness in value creation, and how are these linked to capital allocation decisions and executive remuneration?**
- (iii) **Can the board articulate its capital management framework, including the rationale for maintaining a substantial cash balance? What criteria determine whether excess capital should be returned to shareholders?**
- (iv) **What specific issues have been discussed at board level regarding the persistent valuation discount, and what conclusions have been reached on the underlying causes? What concrete actions is the board, particularly the independent directors, taking to address the valuation discount? Have options such as share buybacks, special dividends or a broader strategic review been formally evaluated, and what are the timelines for implementation?**



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