

MEDIA RELEASE

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ASIA ENTERPRISES' NET PROFIT INCREASES 17% TO S\$5.2M IN 1Q08

Financial Period	Revenue	Net Profit	EPS
1Q08	\$54.6 m	\$5.2 m	1.90 cents
1Q07	\$40.5 m	\$4.4 m	1.63 cents
Change	35%	17%	17%

FY : Financial year ending 31 December

All figures stated in Singapore dollars

"We are pleased to have achieved double-digit growth in our revenue and net profit for 1Q08. As inventory replacement cost increases with the continued uptrend in global steel prices and the steel distribution industry becomes more competitive, our strategy will be to maintain prudent management of our balance sheet combined with a flexible market stance, while ensuring prompt and reliable service to our customers."

Mr Lee Choon Bok, Chairman and Managing Director of Asia Enterprises Holding Limited

1Q08 Results Review

- **Revenue jumped 35% to S\$54.6 million**

The Group benefited from robust demand for steel in the Asia Pacific region, and higher average selling prices of its products compared to 1Q07. Global steel prices have continued on a sustained upward trend during the first three months of 2008, driven by rising cost of steel production and firm steel consumption.

- **Sales to the shipbuilding and marine-related sectors grew 36% to S\$34.6 million**

The Group maintained its primary focus on customers in the shipbuilding and marine-related sectors, which contributed a dominant 63% share of the Group's revenue in 1Q08. The Group also capitalised on increased opportunities in Singapore's construction sector, which boosted the revenue contribution from this segment to 12%, from 4% in 1Q07.

- **Revenue growth led by Indonesia market**

Buoyed by the higher level of marine-related activities in the region, sales to Indonesia rose to account for 54% of Group revenue while sales to Singapore and Malaysia accounted for 34% and 6% respectively. The Group continued to make inroads into other potential markets in Asia Pacific region, which accounted for the remaining 6% of its revenue.

- **Net profit up 17% to S\$5.2 million**

Net profit in 1Q08 was lifted by the Group's ongoing efforts to contain costs and overhead expenses, coupled with the benefit of a lower effective tax rate due to its entry into the Global Trader Program from 2008.

Growth Strategies and Outlook

According to the International Iron and Steel Institute, demand from emerging markets is expected to support the global demand for steel, with deliveries from steel producers to the Asian market projected to grow 8.6% in 2008. In addition, the rising cost of steel production since the beginning of 2008 is expected to lead to further increases in selling prices by steel mills.

Looking ahead, the Group expects to continue benefiting from healthy demand for steel from the shipbuilding and marine-related sectors in the region as many of the shipyards still have large order books to fulfill. The implementation of numerous public sector infrastructure projects in Singapore should also auger well for the Group by generating steady order flows from the construction sector.

Asia Enterprises intends to further expand its coverage to other territories in Asia Pacific that offer potential opportunities for growth. To reinforce its position as a Regional Steel Distribution Center, the Group will continue providing a total solution for its customers through a comprehensive range of steel products.

The Group will maintain its sound financial position as this places it in a strong position to capitalise on opportunities and overcome future challenges. Barring a more pronounced downturn in the region's economies and any other unforeseen circumstances, the Group is cautiously optimistic of its prospects in FY2008.

Media and Investor Relations Contact :

OCTANT CONSULTING tel (65) 6220 2842

Herman Phua (9664 7582) or Lisa Heng (9090 9887)

herman@octant.com.sg lisa@octant.com.sg

About Asia Enterprises – A major regional distributor of steel products to industrial end-users

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.

Supported by three facilities in Singapore – two warehouses and a steel processing plant cum warehouse with a total storage capacity of 45,934 square metres – Asia Enterprises supplies over 1,200 steel products to more than 600 active customers involved primarily in shipbuilding and marine-related activities, oil and gas, construction as well as the 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