ASIA ENTERPRISES HOLDING LIMITED
(Company Registration No. 200501021H)
(Incorporated in Singapore)
(the "Company")

REPLY TO SGX QUERY REGARDING FY2020 RESULTS

The Board of Directors (the "Board") of Asia Enterprises Holding Limited ("Asia Enterprises" or the "Company") wishes to respond to the queries raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") with respect to the Company's financial results for the year ended 31 December 2020 ("FY2020").

***SGX Query 1**:*

Please explain why Interest Income amounted to only S$234,000 during 2HFY2020 and S$752,000 for the year ended 31 December 2020 when the Group has significant Cash and Cash Equivalents amounting to S$51,170,000 as at 31/12/2020.

Company's response to SGX Query 1:

The decline in interest income for FY2020 and 2HFY2020 was attributed mainly to a reduction in interest rates on deposits and a decrease in other financial assets. The decrease in other financial assets was due to the maturity of certain securities.

***SGX Query 2**:*

Please disclosure the nature of the Inventories account line item in the current assets category. Please also provide information on the Group's inventory turnover days.

Company's response to SGX Query 2:

The Inventories refer primarily to the stock of steel materials that the Group replenishes and holds for sale to its customers as part of its core steel distribution business. The Group's inventory turnover days for FY2020 shortened to 141 days compared to 173 days in FY2019 due mainly to higher sales in FY2020.

***SGX Query 3**:*

Please disclose the reason(s) for the Group's Trade and Other Payables of S$4,237,000 as at 31/12/2020 when the Group recorded Cash and Cash Equivalents of S$51,170,000 as at 31/12/2020?

Company's response to SGX Query 3:

Trade payables arose mainly from purchases of inventory from third parties on credit terms which is part of the Group's working capital management. Other payables comprise mainly of provisions. The increase in trade and other payables to S$4.2 million as at 31 December 2020 compared to S$3.5 million as at 31 December 2019 was attributed mainly to higher other payables. The increase in other payables was due primarily to provision for reinstatement costs.

***SGX Query 4**:*

Please disclose a breakdown of Trade and Other Payables amounting to S$4,237,000 as at 31/12/2020. For other payables, please disclose the identity of the counterparties, the aging and nature of these other payables.

Company's response to SGX Query 4:

The breakdown of trade and other payables as at 31 December 2020 is as follows:

Trade payables	S$1.9 million
Other payables	S$2.3 million
Total	S$4.2 million

The other payables comprised primarily of provision for reinstatement costs of properties.

By Order of the Board
Lee Yih Chyi
Managing Director
24 February 2021