



ASIA ENTERPRISES HOLDING LIMITED

ASIA ENTERPRISES HOLDING LIMITED
(Registration No: 200501021H)

Interim Financial Information
As at and for the Period Ended
30 June 2025

ASIA ENTERPRISES HOLDING LIMITED

Contents	Page
Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Statements of Financial Position	4
Statements of Changes in Equity	5
Consolidated Statement of Cash Flows	6
Notes to the condensed interim consolidated financial statements	7
Other Information	18

ASIA ENTERPRISES HOLDING LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2025

	Notes	6 months ended 30 June		% +/(-)
		2025	2024	
		\$'000	\$'000	
Revenue	6.3	17,506	21,819	(20)
Cost of sales		(15,049)	(18,353)	(18)
Gross profit		2,457	3,466	(29)
Other income and gains	7	1,122	1,013	11
Marketing and distribution costs		(169)	(169)	-
Administrative expenses		(3,006)	(3,573)	(16)
Finance costs		(157)	(183)	(14)
Other losses	7	(155)	(44)	252
Share of profit from equity-accounted associates		139	–	n.m.
Profit before tax from continuing operations		231	510	(55)
Income tax expense	8	(84)	(209)	(60)
Total comprehensive income for the period		147	301	(51)
Earnings per share		Cents	Cents	
Earnings per share currency unit				
Basic		0.04	0.09	
Diluted		0.04	0.09	

The accompanying notes form an integral part of these financial statements.

ASIA ENTERPRISES HOLDING LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		Group		Company	
		As at 30 Jun 2025	As at 31 Dec 2024	As at 30 Jun 2025	As at 31 Dec 2024
	Notes	\$'000	\$'000	\$'000	\$'000
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	11	9,447	10,300	–	–
Right-of-use assets	12	8,050	7,376	–	–
Investment property	13	341	351	–	–
Investments in subsidiaries		–	–	45,680	45,680
Investments in associates	4	3,746	–	3,607	–
Other financial assets, non-current	14	5,904	6,150	754	1,005
Total non-current assets		27,488	24,177	50,041	46,685
<u>Current assets</u>					
Inventories		17,850	19,354	–	–
Trade and other receivables		11,102	10,831	10,514	12,280
Other financial assets, current	14	4,730	4,222	624	376
Cash and cash equivalents		51,387	51,421	1,423	1,664
Total current assets		85,069	85,828	12,561	14,320
Total assets		112,557	110,005	62,602	61,005
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share capital	15	62,463	58,856	62,463	58,856
Treasury shares		(138)	(138)	(138)	(138)
Retained earnings		36,465	38,166	72	1,971
Capital reserve		575	575	–	–
Total equity		99,365	97,459	62,397	60,689
<u>Non-current liabilities</u>					
Provision, non-current		1,623	1,599	–	–
Deferred tax liabilities		798	800	–	–
Lease liabilities, non-current		8,161	7,562	–	–
Total non-current liabilities		10,582	9,961	–	–
<u>Current liabilities</u>					
Income tax payable		363	506	–	36
Provision, current		30	31	–	–
Lease liabilities, current		613	571	–	–
Trade and other payables		1,591	1,402	205	280
Derivative financial liabilities		13	75	–	–
Total current liabilities		2,610	2,585	205	316
Total liabilities		13,192	12,546	205	316
Total equity and liabilities		112,557	110,005	62,602	61,005

The accompanying notes form an integral part of these financial statements.

ASIA ENTERPRISES HOLDING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2025

<u>Group</u>	<u>Total equity</u>	<u>Share capital</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Retained earnings</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Current year:					
Opening balance at 1 January 2025	97,459	58,856	(138)	575	38,166
Changes in equity:					
New shares issued (Note 15)	3,607	3,607	–	–	–
Total comprehensive income for the period ended 30 June 2025	147	–	–	–	147
Dividends (Note 9)	(1,848)	–	–	–	(1,848)
Closing balance at 30 June 2025	99,365	62,463	(138)	575	36,465

Previous year:					
Opening balance at 1 January 2024	100,501	58,856	(138)	575	41,208
Changes in equity:					
Total comprehensive income for the period ended 30 June 2024	301	–	–	–	301
Dividends (Note 9)	(3,411)	–	–	–	(3,411)
Closing balance at 30 June 2024	97,391	58,856	(138)	575	38,098

<u>Company</u>	<u>Total equity</u>	<u>Share capital</u>	<u>Treasury shares</u>	<u>Retained earnings</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Current year:				
Opening balance at 1 January 2025	60,689	58,856	(138)	1,971
Changes in equity:				
New Shares issued (Note 15)	3,607	3,607	–	–
Total comprehensive income for the period ended 30 June 2025	(51)	–	–	(51)
Dividends (Note 9)	(1,848)	–	–	(1,848)
Closing balance at 30 June 2025	62,397	62,463	(138)	72

Previous year:				
Opening balance at 1 January 2024	62,271	58,856	(138)	3,553
Changes in equity:				
Total comprehensive income for the period ended 30 June 2024	62	–	–	62
Dividends (Note 9)	(3,411)	–	–	(3,411)
Closing balance at 30 June 2024	58,922	58,856	(138)	204

The accompanying notes form an integral part of these financial statements.

ASIA ENTERPRISES HOLDING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2025

	Group 6 months ended 30 June	
	2025	2024
	\$'000	\$'000
<u>Cash flows from operating activities</u>		
Profit before tax	231	510
Adjustment for:		
Interest income	(944)	(808)
Interest expense on lease liabilities	132	158
Unwinding of discount arise from provision for dismantling and removing	24	24
Depreciation of investment property	10	10
Depreciation of plant and equipment	853	1,062
Depreciation of right-of use assets	262	372
Reversal of employee benefits	–	(10)
Unrealised gain on derivative financial instruments	(61)	(75)
Dividend income	(99)	(102)
Share of profit from equity-accounted associates	(139)	–
Deaccretion in amortised cost	1	10
Loss on disposal of Investments in debt assets instruments at amortised cost	21	–
Fair value (gain) / loss on investments at FVTPL, net	(10)	38
Operating cash flows before changes in working capital	281	1,189
Inventories	1,504	446
Trade and other receivables	(248)	5,294
Trade and other payables	185	(202)
Net cash flows from operations	1,722	6,727
Income taxes paid	(237)	(942)
Net cash flows from operating activities	1,485	5,785
<u>Cash flows from investing activities</u>		
Other financial assets increase	(274)	(260)
Dividend received	99	102
Purchase of property, plant and equipment	–	(49)
Interest received	931	806
Net cash flows from investing activities	756	599
<u>Cash flows used in financing activities</u>		
Dividends paid to equity owners	(1,848)	(3,411)
Lease liabilities - principal paid	(295)	(235)
Lease liabilities - interest portion	(132)	(158)
	(2,275)	
Net cash flows used in financing activities	(2,275)	(3,804)
Net (decrease) / increase in cash and cash equivalents	(34)	2,580
Cash and cash equivalents, statement of cash flows, beginning balance	51,421	41,875
Cash and cash equivalents, statement of cash flows, ending balance	51,387	44,455

The accompanying notes form an integral part of these financial statements.

ASIA ENTERPRISES HOLDING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATE FINANCIAL STATEMENTS

1. Corporate information

Asia Enterprises Holding Limited is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange Securities Trading Limited (SGX-ST). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2025 comprise the Company and its subsidiaries (collectively, the Group).

The Company is an investment holding company.

The principal activities of the Group are:

- (a) importing, exporting and marketing of steel products; and
- (b) processing and marketing of steel products; and
- (c) investment and management activities.

2. Basis of preparation of the financial statements

2.1. Statement of compliance

The condensed financial statements for the six months ended 30 June 2025 have been prepared in accordance with SFRS(I) 1-34 Interim Financial reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

2.2. Basis of measurement

The interim financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these interim financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

2.3. Functional and presentation currencies

The condensed interim financial statements are presented in Singapore Dollar which is the Company's functional currency.

2.4. New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

ASIA ENTERPRISES HOLDING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATE FINANCIAL STATEMENTS

2. Basis of preparation of the financial statements (Cont'd)

2.5. Use of judgements and estimates

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting period are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Assessment of expected credit loss allowance on trade receivables:

The allowance for expected credit losses (ECL) assessment requires a degree of estimation and judgement. It is based on the lifetime ECL for trade receivables. In measuring the expected credit losses, management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward-looking information such as forecasts of future economic conditions including the impact of the current economic conditions. The carrying amounts might change materially within the next reporting period but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting period.

Assessment of allowance on inventories:

The allowance for impairment of inventories assessment requires a degree of estimation and judgement. The level of the loss allowance is assessed by taking into account the recent sales experience, the ageing of inventories, other factors that affect inventory obsolescence and subsequent events. Possible changes in these estimates could result in revisions to the stated value of the inventories.

Estimation of useful lives of property, plant and equipment:

The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting period that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting period affected by the assumption is \$9.4 million (2024: \$10.3 million).

Provisions for dismantling and removing:

Provision is made for dismantling and removing costs, based on future estimated expenditures, discounted to present values. Where appropriate, the establishment of a provision is recorded as part of the original cost of the related property, plant and equipment. Changes in the provision arising from revised estimates or discount rates or changes in the expected timing of expenditures that relate to property, plant and equipment are recorded as adjustments to their carrying value and depreciated prospectively over their remaining estimated useful economic lives; otherwise such changes are recognised in profit or loss. The unwinding of the discount is included within the profit or loss as a financing charge.

ASIA ENTERPRISES HOLDING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATE FINANCIAL STATEMENTS

3. Seasonal operations

The Group's businesses are affected by cyclical factors impacted by periods of economic expansion and contraction during the financial year.

4. Acquisition of an associate

On 30 April 2025, the Group completed its acquisition of a 28.64% equity interest in GKE Metal Logistics Pte Ltd (GKEML). It became an associate of the Group. The transaction was accounted for by the acquisition method of accounting.

The following table summarises the effect of changes in the Group's net asset position:

	\$'000
Investment in associates	3,607
Share of profit from equity-accounted associates	139
Equity attributable to owner of the Group	<u>3,746</u>

5. Related party transactions

The financial reporting standard on related party disclosures requires the Company to disclose: (a) related party relationships, transactions and outstanding balances, including commitment; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

Members of a group:

Related companies in these financial statements include the members of the Company's group of companies.

<u>Name</u>	<u>Relationship</u>	<u>Country of incorporation</u>
Asia Enterprises (Private) Limited	Subsidiary	Singapore
Asia-Beni Steel Industries (Pte) Ltd	Subsidiary	Singapore

Related party transactions:

There are transactions and arrangements between the Company and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations, if any, are unsecured, without fixed repayment terms and interest or charge unless stated otherwise. The transactions were not material.

Intra-group transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances.

The Group has nil IPT transactions for the six months ended 30 June 2025 and 30 June 2024.

6. Segment and revenue information

The Group is organised into the following main business segments:

- Segment 1: Steel distribution - procuring, distributing and trading of steel products; and
- Segment 2: Provision of steel processing - processing of steel materials for sale; and
- Segment 3: Corporate - investment and management activities

ASIA ENTERPRISES HOLDING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATE FINANCIAL STATEMENTS

6. Segment and revenue information (Cont'd)

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments.

6.1. Reportable segments

	<u>Steel distribution</u> \$'000	<u>Provision of steel processing</u> \$'000	<u>Corporate</u> \$'000	<u>Unallocated</u> \$'000	<u>Total</u> \$'000
Group					
1 January 2025 to 30 June 2025					
Revenue by segment:					
Total revenue by segment	16,477	1,072	28	–	17,577
Inter-segment sales	(26)	(17)	(28)	–	(71)
Total revenue	<u>16,451</u>	<u>1,055</u>	<u>–</u>	<u>–</u>	<u>17,506</u>
Recurring EBITDA	296	240	(107)	–	429
Depreciation	(960)	(165)	–	–	(1,125)
Investment income	–	–	–	139	139
Interest income	–	–	–	944	944
Interest expense on lease liabilities	–	–	–	(132)	(132)
Unwinding of discount from provision for dismantling and removing	–	–	–	(24)	(24)
ORBIT	<u>(664)</u>	<u>75</u>	<u>(107)</u>	<u>927</u>	<u>231</u>
Other unallocated items					–
Profit before tax from continuing operations					231
Income tax expense					<u>(84)</u>
Profit from continuing operations					<u>147</u>
Other material items and reconciliations:					
Depreciation expense	<u>960</u>	<u>165</u>	<u>–</u>	<u>–</u>	<u>1,125</u>
Assets and reconciliation:					
Total assets for reportable segments	93,138	12,550	6,439	139	112,266
Unallocated assets	–	–	–	291	291
Total group assets	<u>93,138</u>	<u>12,550</u>	<u>6,439</u>	<u>430</u>	<u>112,557</u>
Liabilities and reconciliations:					
Total liabilities for reportable segments	6,007	5,609	200	–	11,816
Other payables	21	194	–	–	215
Income tax payable	–	–	–	363	363
Deferred tax liabilities	–	–	–	798	798
Total group liabilities	<u>6,028</u>	<u>5,803</u>	<u>200</u>	<u>1,161</u>	<u>13,192</u>

ASIA ENTERPRISES HOLDING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATE FINANCIAL STATEMENTS

6. Segment and revenue information (Cont'd)

6.1. Reportable segments (Cont'd)

	Steel distribution \$'000	Provision of steel processing \$'000	Corporate \$'000	Unallocated \$'000	Total \$'000
Group					
1 January 2024 to 30 June 2024					
Revenue by segment:					
Total revenue by segment	20,812	1,095	28	–	21,935
Inter-segment sales	(51)	(37)	(28)	–	(116)
Total revenue	<u>20,761</u>	<u>1,058</u>	<u>–</u>	<u>–</u>	<u>21,819</u>
Recurring EBITDA					
Depreciation	(1,274)	(170)	–	–	(1,444)
Investment income	–	–	–	–	–
Interest income	–	–	–	808	808
Interest expense on lease liabilities	–	–	–	(158)	(158)
Unwinding of discount from provision for dismantling and removing	–	–	–	(24)	(24)
ORBIT	<u>(160)</u>	<u>33</u>	<u>11</u>	<u>626</u>	<u>510</u>
Other unallocated items					–
Profit before tax from continuing operations					510
Income tax expense					<u>(209)</u>
Profit from continuing operations					<u>301</u>
Other material items and reconciliations:					
Depreciation expense	<u>1,274</u>	<u>170</u>	<u>–</u>	<u>–</u>	<u>1,444</u>
Assets and reconciliation:					
Total assets for reportable segments	95,418	12,478	3,066	–	110,962
Unallocated assets	–	–	–	304	304
Total group assets	<u>95,418</u>	<u>12,478</u>	<u>3,066</u>	<u>304</u>	<u>111,266</u>
Liabilities and reconciliations:					
Total liabilities for reportable segments	6,484	5,047	202	–	11,733
Other payables	23	194	–	–	217
Income tax payable	–	–	–	1,090	1,090
Deferred tax liabilities	–	–	–	835	835
Total group liabilities	<u>6,507</u>	<u>5,241</u>	<u>202</u>	<u>1,925</u>	<u>13,875</u>

ASIA ENTERPRISES HOLDING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATE FINANCIAL STATEMENTS

6. Segment and revenue information (Cont'd)

6.2. Geographical information

The Group's operations are located in Singapore. An analysis of the Group revenue by geographical area which is analysed based on the billing address of each individual customer is provided below.

	Group 6 months ended 30 June	
	2025	2024
	\$'000	\$'000
Singapore	10,645	13,119
Indonesia	5,255	7,351
Malaysia	1,385	1,005
Other regions	221	344
Total revenue	17,506	21,819

6.3. Revenue

The Company's revenue is from sales of goods and services based on point in time and all the contracts are less than 12 months.

	Group 6 months ended 30 June	
	2025	2024
	\$'000	\$'000
Sales of goods and related services	16,607	20,976
Service income	450	451
Rental income	449	387
Others	—	5
Total revenue	17,506	21,819

7. Other income and gains and (other losses)

	Group 6 months ended 30 June	
	2025	2024
	\$'000	\$'000
Dividend income	99	102
Fair value gain / (loss) on investments at FVTPL, net	10	(38)
Foreign exchange adjustments losses	(134)	(6)
Loss on disposal of Investments in debt assets instruments at amortised cost	(21)	—
Government grant	5	27
Interest income from financial institutions	792	722
Other interest income	152	86
Unrealised gain on derivative financial instruments	61	75
Sundry income	3	1
Net	967	969
Presented in profit or loss as:		
Other income and gains	1,122	1,013
Other losses	(155)	(44)
	967	969

ASIA ENTERPRISES HOLDING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATE FINANCIAL STATEMENTS

8. Taxation

	Group 6 months ended 30 June	
	2025	2024
	\$'000	\$'000
<u>Current tax expense:</u>		
Current tax expense	86	219
Subtotal	86	219
<u>Deferred tax income:</u>		
Deferred tax income	(2)	(10)
Subtotal	(2)	(10)
Total income tax expense	84	209

9. Dividend

No interim dividend has been recommended for the period ended 30 June 2025.

Recommendation for dividend will be considered with full-year results.

10. Net asset value

	Group		Company	
	As at 30 Jun 2025	As at 31 Dec 2024	As at 30 Jun 2025	As at 31 Dec 2024
Net asset value per ordinary share (cents)	26.89	28.57	16.89	17.79

ASIA ENTERPRISES HOLDING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATE FINANCIAL STATEMENTS

11. Property, plant and equipment

Group	Leasehold properties \$'000	Plant and equipment \$'000	Total \$'000
<u>Cost:</u>			
At 1 January 2024	25,249	11,816	37,065
Additions	—	84	84
Disposals	—	(4)	(4)
At 31 December 2024	25,249	11,896	37,145
Additions	—	—	—
Disposals	—	—	—
At 30 June 2025	25,249	11,896	37,145
<u>Accumulated depreciation:</u>			
At 1 January 2024	14,155	10,571	24,726
Depreciation for the year	1,568	555	2,123
Disposals	—	(4)	(4)
At 31 December 2024	15,723	11,122	26,845
Depreciation for the period	783	70	853
Disposals	—	—	—
At 30 June 2025	16,506	11,192	27,698
<u>Carrying value:</u>			
At 1 January 2024	11,094	1,245	12,339
At 31 December 2024	9,526	774	10,300
At 30 June 2025	8,743	704	9,447

12. Right-Of-Use Assets

The right-of-use assets in the statement of financial position. The details are as follows:

Group	Leasehold land \$'000
<u>Cost:</u>	
At 1 January 2024	11,062
Remeasurement	188
At 31 December 2024	11,250
Remeasurement	936
At 30 June 2025	12,186
<u>Accumulated depreciation:</u>	
At 1 January 2024	3,200
Depreciation for the year	674
At 31 December 2024	3,874
Depreciation for the period	262
At 30 June 2025	4,136
<u>Carrying value:</u>	
At 1 January 2024	7,862
At 31 December 2024	7,376
At 30 June 2025	8,050

ASIA ENTERPRISES HOLDING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATE FINANCIAL STATEMENTS

12. Right-Of-Use Assets (Cont'd)

A lease conveys the right-to-use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised right-of-use asset is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. An interest expense is recognised on the lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

13. Investment property

	Group	
	As at 30 Jun 2025 \$'000	As at 31 Dec 2024 \$'000
<u>Cost:</u>		
At 1 January	886	886
At end of the period/year	886	886
<u>Accumulated depreciation:</u>		
At 1 January	535	516
Depreciation for the period/year	10	19
At end of the period/year	545	535
<u>Carrying value:</u>		
At 1 January	351	370
At end of the period/year	341	351

The investment properties are leased out under operating leases.

14. Other financial assets

	Group		Company	
	As at 30 Jun 2025 \$'000	As at 31 Dec 2024 \$'000	As at 30 Jun 2025 \$'000	As at 31 Dec 2024 \$'000
Balance is made up of:				
<u>Non-current:</u>				
A. Investments in debt asset instruments at amortised cost	5,904	6,150	754	1,005
Total non-current portion	5,904	6,150	754	1,005
<u>Current:</u>				
A. Investments in debt asset instruments at amortised cost	1,251	753	500	250
B. Investment at fair value through profit or loss (FVTPL)	3,479	3,469	124	126
Total current portion	4,730	4,222	624	376
Total at end of the period/year	10,634	10,372	1,378	1,381

ASIA ENTERPRISES HOLDING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATE FINANCIAL STATEMENTS

14. Other financial assets (Cont'd)

Fair value measurement of Investment at fair value through profit or loss (FVTPL):

	Level	As at 30 Jun 2025 \$'000	As at 31 Dec 2024 \$'000
Group			
<u>Debt assets investments:</u>			
Mutual fund investments - High yield debt securities, China, US, Taiwan, North America, UK, Europe, Asia Pacific ex- Japan	2	3,479	3,469

	Level	As at 30 Jun 2025 \$'000	As at 31 Dec 2024 \$'000
Company			
<u>Debt assets investments:</u>			
Mutual fund investments - High yield debt securities, China, US, Taiwan, North America, UK, Europe, Asia Pacific ex- Japan	2	124	126

For fair value measurements categorised within Level 2 of the fair value hierarchy, the carrying value approximate the fair values of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

15. Share capital

	Number of shares issued '000	Share capital \$'000	Treasury shares \$'000	Total \$'000
<u>Group and Company</u>				
Ordinary shares of no par value:				
Balance at the beginning and end of the reporting year 31 December 2024	341,129	58,856	(138)	58,718
New shares issued	28,400 #	3,607	—	3,607
Balance at 30 June 2025	369,529 *	62,463	(138)	62,325

Acquisition of GKEML by means of an equity issue.

* Excluding non-voting 788,600 treasury shares and subsidiary shareholdings.

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

ASIA ENTERPRISES HOLDING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATE FINANCIAL STATEMENTS

16. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2025 and 31 December 2024:

	Group		Company	
	As at 30 Jun 2025	As at 31 Dec 2024	As at 30 Jun 2025	As at 31 Dec 2024
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	69,644	69,155	13,191	15,199
Financial assets at FVTPL	3,479	3,469	124	126
At end of the year	73,123	72,624	13,315	15,325
<u>Financial liabilities:</u>				
Financial liabilities measured at amortised cost	10,365	9,535	205	280
Financial liabilities at FVTPL	13	75	–	–
At end of the year	10,378	9,610	205	280

ASIA ENTERPRISES HOLDING LIMITED

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Asia Enterprises Holding Limited and its subsidiaries as at 30 June 2025 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of Performance of the Group

Review of the Steel Industry

OECD Steel Outlook 2025 published on 27 May 2025 cited substantial increases in steel production capacity of up to 6.7% from 2025 to 2027, despite sluggish demand which could potentially depress capacity utilization towards 70%, exerting immense pressure on the industry players.

The World Steel Association (worldsteel) in its short-range outlook released on 14 October 2024 had forecasted that after three years of demand reduction up to 2024, there was a possibility of broad-based recovery in global steel demand ex-China in 2025 by 1.2% or approximately 1,772Mt. However, it had opted to postpone the release of its first biannual outlook of 2025 for steel demand due in April 2025 in view of the imposition of tariffs by the US administration.

MEPS International in its Steel Price Outlook published on 12 December 2024 recaps that steel prices have been extremely volatile during the past years, amid the Covid pandemic and Russia-Ukraine war. Going forward, it expects the steel industry to invest substantially in the decarbonization of steel production. In the coming years, steelmakers will need to generate higher profit margins, than those recorded in the past, to fund the technological improvements. Consequently, steel prices are expected to remain elevated, in the medium term.

Overview

Asia Enterprises is a major distributor of steel products to industrial end-users in Singapore and the Asia-Pacific region. The Group offers a wide range of products that is complemented by its value-added steel processing services to offer a 'one-stop' solution and 'just-in-time' delivery to its customers in the marine and offshore, oil and gas, engineering/fabrication, construction and manufacturing industries. With operating history dating back to 1973, the Group has forged a strong reputation as a reliable distributor of steel products to the marine and offshore industries.

Review of Statement of Comprehensive Income

Revenue

Revenue (\$ m)	1H	2H	Full Year
FY2025	17.5	–	–
FY2024	21.8	18.9	40.7
y-o-y change	-20%	–	–

For the six months ended 30 June 2025 (1H25), the Group's revenue declined 20% to \$17.5 million from \$21.8 million in 1H24 due largely to lower volume of sales from lower demand. Average selling prices (ASP) were lower compared to 1H24 in tandem with a downward trend in international steel prices affected by over-capacity in the steel market and weak demand.

ASIA ENTERPRISES HOLDING LIMITED

OTHER INFORMATION

2. Review of Performance of the Group (Cont'd)

Revenue Breakdown by Industry

Industry	1H25		1H24		y-o-y %
	(\$ m)	%	(\$ m)	%	
Marine & offshore	13.2	75	16.2	74	(19)
Engineering/fabrication	1.7	10	2.5	12	(32)
Construction	0.7	4	0.9	4	(22)
Stockists & traders	1.1	6	1.4	6	(21)
Manufacturing, precision metal stamping & others	0.8	5	0.8	4	-
Total	17.5	100	21.8	100	(20)

In 1H25, the Group experienced a general decrease in orders from customers in its key end-user markets due to slower demand and changes in purchasing behavior as a result of the downtrend in international steel prices.

Sales to the marine and offshore segment decreased 19% to \$13.2 million in 1H25. This was attributed mainly to a reduction in newbuilding projects and tariffs uncertainties. The marine and offshore sector continued to be the Group's largest segment with a comparable contribution of 75% and 74% in 1H25 and 1H24 respectively.

Sales to the engineering/fabrication segment decreased 32% to \$1.7 million in 1H25, in tandem with lower demand. Sales to this segment accounted for 10% of Group revenue in 1H25 (1H24: 12%).

Sales to the construction sector eased marginally to \$0.7 million in 1H25 from \$0.9 million previously, and made up 4% of Group revenue in 1H25 and 1H24.

Revenue Breakdown by Geographical Market

Countries	1H25		1H24		y-o-y %
	(\$ m)	%	(\$ m)	%	
Singapore	10.6	61	13.1	60	(19)
Indonesia	5.3	30	7.4	34	(28)
Malaysia	1.4	8	1.0	4	40
Others	0.2	1	0.3	2	(33)
Total	17.5	100	21.8	100	(20)

N.B: Revenue breakdown is based on billing addresses of customers

The Group's sales to customers in Singapore declined 19% to \$10.6 million in 1H25 primarily due to lower ASP. Billings to customers in Singapore include sales that are shipped to domestic and overseas destinations. The Singapore segment accounted for 61% of Group revenue in 1H25 (1H24: 60%).

Sales to customers in Indonesia contracted 28% to \$5.3 million in 1H25, due to a lower demand for newbuilding projects and lower ASP. As a result, Indonesia's contribution to revenue reduced to 30% in 1H25 compared with 34% in 1H24.

ASIA ENTERPRISES HOLDING LIMITED

OTHER INFORMATION

2. Review of Performance of the Group (Cont'd)

Revenue from Malaysia market improved by 40% to \$1.4 million in 1H25 from \$1.0 million in 1H24 making up 8% of Group revenue in 1H25 compared to 4% in 1H24.

Gross Profit and Gross Profit Margin

		1H	2H	Full Year
Gross Profit	FY2025	2.5	–	–
(\$ m)	FY2024	3.5	2.4	5.9
Gross Profit	FY2025	14.0%	–	–
Margin	FY2024	15.9%	13.0%	14.5%

The Group's gross profit decreased 29% to \$2.5 million in 1H25 from \$3.5 million in 1H24 mainly due to reduced sales volume. Gross profit margin dropped marginally to 14.0% in 1H25 from 15.9% in 1H24.

The Group's gross profit margin typically fluctuates across the periods during a financial year. Underlying factors include differences in selling prices due to seasonal factors and market conditions, sales mix, foreign currency fluctuations and changes in its weighted average cost of inventory sold as the Group sells and replaces its inventory across different periods.

Other income and gains

Other income and gains of \$1.1 million in 1H25 was relatively unchanged from \$1.0 million in 1H24, attributed mainly to higher interest income and a reversal of mark-to-market adjustments for investments in financial assets.

Distribution Costs, Administrative Expenses, Finance Costs and Other Losses

Marketing and distribution costs remains at \$0.2 million in 1H25 and 1H24. Administrative expenses declined 16% to \$3.0 million in 1H25 compared to \$3.6 million in 1H24, amidst rationalizing staff and administrative expenses in view of market challenges.

In line with the adoption of SFRS(I) 16, the Group recognised non-cash interest expense on lease liabilities of around \$0.1 million in 1H25. Other losses in 1H25 amounted to \$155,000 compared to \$44,000 in 1H24, due mainly to higher foreign exchange losses.

Net Profit

		1H	2H	Full Year
PBT	FY2025	0.2	–	–
(\$ m)	FY2024	0.5	0.2	0.7
Net Profit	FY2025	0.1	–	–
(\$ m)	FY2024	0.3	0.1	0.4

The Group's profit before tax (PBT) decreased 55% to \$0.2 million in 1H25 from \$0.5 million in 1H24 due to lower revenue and gross profit offset by lower administrative expenses and a share of profit from equity-accounted associates. The Group reports a net profit of \$0.1 million in 1H25, compared to a net profit of \$0.3 million in 1H24. Tax expense is lower with lower profits.

ASIA ENTERPRISES HOLDING LIMITED

OTHER INFORMATION

2. Review of Performance of the Group (Cont'd)

Review of Financial Position

Statement of Financial Position as at 30 June 2025

The Group's balance sheet continues to be sound as at 30 June 2025 with cash and cash equivalents of \$51.4 million and zero borrowings. Shareholders' equity (excluding treasury shares) increased to \$99.4 million as at 30 June 2025 from \$97.5 million as at 31 December 2024. Share capital increased by \$3.6 million arising from new issue of 28.4 million shares for an equity stake in GKE Metal Logistics Pte Ltd (GKEML) completed on 30 April 2025. The Group's net asset value as at 30 June 2025 stood at 26.89 cents per share, comprising of cash and cash equivalents of 13.91 cents per share and inventory with book value of 4.83 cents per share.

Property, plant and equipment decreased to \$9.4 million as at 30 June 2025 from \$10.3 million as at 31 December 2024 due mainly to depreciation charges. In line with the SFRS(I) 16, the present value of the operating lease payment commitments for the Group's warehouse facilities are recognised on its balance sheet as right-of-use assets and lease liabilities. As at 30 June 2025, the Group's right-of-use assets and lease liabilities stood at \$8.1 million and \$8.8 million respectively.

On 30 April 2025, the Group completed its acquisition of 28.64% equity interest in GKEML. It became an associate of the Group. The transaction was accounted for by the acquisition method of accounting.

Other financial assets as at 30 June 2025 increased to \$10.6 million compared to \$10.4 million as at 31 December 2024 from increase in investment to contain interest yield.

Trade and other receivables increased to \$11.1 million as at 30 June 2025 from \$10.8 million as at 31 December 2024 from greater other receivable.

Inventories (measured on a weighted average cost basis) comprise primarily the stock of steel materials that the Group purchases and holds for sale to its customers as part of its core steel distribution business. As at 30 June 2025, inventories stood at \$17.9 million as compared to \$19.4 million as at 31 December 2024. Inventory turnover for 1H25 was around 216 days (annualised) compared to 203 days for FY2024.

Non-current and current provisions at \$1.7million as at 30 June 2025 remain comparable to \$1.6 million as at 31 December 2024.

Trade and other payables arose mainly from purchases of inventories and services from third parties on credit terms. Trade and other payables as at 30 June 2025 increased to \$1.6 million from \$1.4 million as at 31 December 2024. Derivative financial liabilities arising mainly from foreign currency hedging instruments for business operations, is \$13,000 as at 30 June 2025 from \$75,000 as at 31 December 2024.

Statement of Cash Flows

Net cash from operating activities amounted to \$1.5 million in 1H25. This was attributed to operating cash flows before changes in working capital of \$0.3 million and net working capital inflows of \$1.4 million, offset partially by payment of income tax of \$0.2 million.

ASIA ENTERPRISES HOLDING LIMITED

OTHER INFORMATION

2. Review of Performance of the Group (Cont'd)

Net cash from investing activities in 1H25 was \$0.8 million. This was attributed mainly to higher interests and dividend income of \$1.0 million, offset by \$0.3 million funds used in investments in financial assets.

Net cash used in financing activities in 1H25 amounted to \$2.3 million, which was mainly due to payment of \$1.8 million as dividends to shareholders in respect of FY24 profits and net lease liabilities payments of \$0.5 million.

As a result of the above, the Group's cash and cash equivalents' stood at \$51.4 million as at 30 June 2025 compared to \$44.5 million as at 30 June 2024.

Significant trends and competitive conditions

Looking to the second half of 2025, the global business environment is expected to remain challenging due to prevailing geopolitical and economic headwinds from military conflicts and trade wars.

The steel industry in Singapore is expected to experience operating challenges due to volatile international steel prices, currency fluctuations, inflationary pressures and heightened business competitive conditions amid a backdrop of potentially slower demand from steel end-users.

The Group will continue to be vigilant in our sales and credit management, as well as maintain tight control of operating expenses. We will also take a prudent approach in inventory management while ensuring sufficient steel supplies and a good mix of products to meet the demand of our customers.

We will also continue to seek out favourable investment and expansion opportunities. The Group believes that the sound, debt-free balance sheet gives us the financial resilience to weather business challenges.

3. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company hereby confirms that it has procured undertakings from all its Directors and Executive Officers in accordance with Rule 720(1) of the Listing Manual.

4. Disclosure pursuant to Rule 706A of the Listing Manual

In first half of FY2025, the Company and Group has acquired a 28.64% associated company interests in GKE Metal Logistics Pte Ltd (GKEML).

Other than the acquisition above, as at the date of this announcement, there were no other changes to the Company's and the Group's shareholding percentage in its respective subsidiaries or associated company nor incorporation of any new subsidiary by the Company or any of the Group's entities.

ASIA ENTERPRISES HOLDING LIMITED

OTHER INFORMATION

5. Confirmation pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST).

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST).

By Order of the Board

Chin Yee Seng
Company Secretary
7 August 2025

NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We, Choo Boon Tiong and Lee Yih Chyi, being two directors of Asia Enterprises Holding Limited (the Company), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the interim financial statement to be false or misleading in any material aspect.

On behalf of the Board of Directors

Choo Boon Tiong
Non-Executive, Independent Chairman

Lee Yih Chyi
Managing Director