

ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

Unaudited First Half Financial Statement for the Period ended 30 June 2019

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR ANNOUNCEMENTS

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group					
	2Q FY2019 S\$'000	2Q FY2018 S\$'000	% + / (-)	1H FY2019 S\$'000	1H FY2018 S\$'000	% + / (-)
Revenue	8,852	10,877	(19)	15,922	19,435	(18)
Cost of Sales	(7,184)	(8,386)	(14)	(12,879)	(15,027)	(14)
Gross Profit	1,668	2,491	(33)	3,043	4,408	(31)
<u>Other Items of Income</u>						
Interest Income	331	180	84	570	348	64
Other Gains	-	168	NM	24	166	(86)
<u>Other Items of Expense</u>						
Marketing and Distribution Costs	(61)	(63)	(3)	(96)	(141)	(32)
Administrative Expenses	(1,524)	(2,121)	(28)	(3,567)	(4,095)	(13)
Other Losses	-	-	NM	(124)	-	NM
Profit/(Loss) Before Tax from Continuing Operations	414	655	(37)	(150)	686	NM
Income Tax Income	-	-	NM	-	3	NM
Profit/Loss for the Period	414	655	(37)	(150)	689	NM
Profit/(Loss) Attributable to Owners of the Parent, Net of Tax	427	732	(42)	(37)	837	NM
Profit/(Loss) Attributable to Non-Controlling Interests, Net of Tax	(13)	(77)	(83)	(113)	(148)	(24)
Profit/(Loss) for the Period	414	655	(37)	(150)	689	NM
Earnings/(Loss) Per Share						
Basic (Cents)	0.13	0.21		(0.01)	0.25	
Diluted (Cents)	0.13	0.21		(0.01)	0.25	

Profit/Loss before tax is arrived at after crediting (charging) the following:

	Group					
	2Q FY2019 S\$'000	2Q FY2018 S\$'000	% + / (-)	1H FY2019 S\$'000	1H FY2018 S\$'000	% + / (-)
Foreign exchange adjustment (loss)/gain	-	167	NM	(57)	165	NM
Recovery of bad debts allowance	-	1	NM	24	1	NM
Impairment allowance for bad debts and recovery costs	-	-	NM	(67)	-	NM
Interest expense on lease liabilities	(79)	-	NM	(159)	-	NM
Depreciation of investment property	(4)	(4)	-	(9)	(9)	-
Depreciation of property, plant and equipment	(532)	(534)	(0)	(1,065)	(1,071)	(1)
Depreciation of right-of-use assets	(194)	-	NM	(388)	-	NM

NM : Not meaningful

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- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

Consolidated Statement of Comprehensive Income

	Group					
	2Q FY2019 S\$'000	2Q FY2018 S\$'000	% +/(-)	1H FY2019 S\$'000	1H FY2018 S\$'000	% +/(-)
Profit/(Loss) for the Period	414	655	(37)	(150)	689	NM
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income/(Loss) for the Period	414	655	(37)	(150)	689	NM
Total Comprehensive Income/(Loss) Attributable to Owners of the Parent	427	732	(42)	(37)	837	NM
Total Comprehensive (Loss)/Income Attributable to Non-Controlling Interests	(13)	(77)	(83)	(113)	(148)	(24)
Total Comprehensive Income/ (Loss)	414	655	(37)	(150)	689	NM

NM : Not meaningful

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Statements of Financial Position

	Group		Company	
	As at 30/06/2019 S\$'000	As at 31/12/2018 S\$'000	As at 30/06/2019 S\$'000	As at 31/12/2018 S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	19,640	20,678	-	-
Right-Of-Use Assets	10,435	-	-	-
Investment Property	458	467	-	-
Investments in Subsidiaries	-	-	43,530	43,530
Other Financial Assets, Non-Current	6,132	4,878	2,811	2,311
Other Asset	50	50	-	-
Total Non-Current Assets	36,715	26,073	46,341	45,841
<u>Current Assets</u>				
Inventories	18,374	18,416	-	-
Trade and Other Receivables	6,718	8,690	15,004	13,632
Other Financial Assets, Current	1,525	1,788	501	1,009
Cash and Cash Equivalents	47,573	48,807	905	3,393
Total Current Assets	74,190	77,701	16,410	18,034
Total Assets	110,905	103,774	62,751	63,875
EQUITY AND LIABILITIES				
<u>Equity Attributable to Owners of the Parent</u>				
Share Capital	58,856	58,856	58,856	58,856
Treasury Shares	(138)	(138)	(138)	(138)
Retained Earnings	32,544	34,287	3,912	4,898
Capital Reserve	575	575	-	-
Equity, Attributable to Owners of the Parent	91,837	93,580	62,630	63,616
Non-Controlling Interests	4,965	5,198	-	-
Total Equity	96,802	98,778	62,630	63,616
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	595	595	-	-
Lease Liabilities	9,896	-	-	-
Total Non-Current Liabilities	10,491	595	-	-
<u>Current Liabilities</u>				
Income Tax Payable	8	15	8	15
Trade and Other Payables	2,995	4,386	113	244
Current Portion of Lease Liabilities	609	-	-	-
Total Current Liabilities	3,612	4,401	121	259
Total Liabilities	14,103	4,996	121	259
Total Equity and Liabilities	110,905	103,774	62,751	63,875

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1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 30/06/2019 S\$'000		As at 31/12/2018 S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30/06/2019 S\$'000		As at 31/12/2018 S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

Not applicable.

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- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Cash Flows

	Group			
	2Q FY2019 S\$'000	2Q FY2018 S\$'000	1H FY2019 S\$'000	1H FY2018 S\$'000
<u>Cash Flows from Operating Activities</u>				
Profit Before Tax	414	655	(150)	686
Adjustments for:				
Depreciation of Investment Property	4	4	9	9
Depreciation of Property, Plant and Equipment	532	534	1,065	1,071
Depreciation of Right-Of-Use Assets	194	-	388	-
Interest Income	(331)	(179)	(570)	(348)
Interest Expenses On Lease Liabilities	79	-	159	-
Operating Cash Flows Before Changes in Working Capital	892	1,014	901	1,418
Inventories	(387)	5,796	43	(226)
Trade and Other Receivables	(58)	713	1,972	(2,339)
Trade and Other Payables	1,579	(720)	(1,391)	(2,478)
Net Cash Flows From Operations Before Interest and Tax	2,026	6,803	1,525	(3,625)
Income Taxes Paid	(4)	(3)	(7)	(5)
Net Cash Flows From/ (Used in) Operating Activities	2,022	6,800	1,518	(3,630)
<u>Cash Flows from Investing Activities</u>				
Purchase of Property, Plant and Equipment	-	(36)	(27)	(76)
Right-Of-Use Assets - (Increase)/ Decrease	-	-	(10,824)	-
Other Financial Assets - (Increase)/ Decrease	288	(1,503)	(991)	(2,796)
Interest Received	331	179	570	348
Net Cash Flows From/(Used in) Investing Activities	619	(1,360)	(11,272)	(2,524)
<u>Cash Flows from Financing Activities</u>				
Dividends Paid to Equity Owners	(1,706)	(1,706)	(1,706)	(1,706)
Dividends Paid by A Subsidiary to Non-Controlling Interests	(120)	(80)	(120)	(80)
Lease Liabilities - Increase/ (Decrease)	(238)	-	10,346	-
Net Cash Flows From/(Used in) Financing Activities	(2,064)	(1,786)	8,520	(1,786)
Net Increase/(Decrease) in Cash and Cash Equivalents	577	3,654	(1,234)	(7,940)
Cash and Cash Equivalents, Beginning Balance	46,996	45,631	48,807	57,225
Cash and Cash Equivalents, Ending Balance	47,573	49,285	47,573	49,285

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- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statements of Changes in Equity

	Attributable to						Non-Controlling Interests
	Total Equity	Parent Sub-Total	Share Capital	Treasury Shares	Capital Reserve	Retained Earnings	
Group (S\$'000)							
Opening Balance at 1 January 2019	98,778	93,580	58,856	(138)	575	34,287	5,198
Total Comprehensive Income/(Loss) for the Period ended 30 June 2019	(150)	(37)	-	-	-	(37)	(113)
Dividends paid	(1,826)	(1,706)	-	-	-	(1,706)	(120)
Closing Balance at 30 June 2019	96,802	91,837	58,856	(138)	575	32,544	4,965
	(a)						
Opening Balance at 1 January 2018	99,052	93,568	58,856	(138)	575	34,275	5,484
Total Comprehensive Income/(Loss) for the Period ended 30 June 2018	689	837	-	-	-	837	(148)
Dividends paid	(1,786)	(1,706)	-	-	-	(1,706)	(80)
Closing Balance at 30 June 2018	97,955	92,699	58,856	(138)	575	33,406	5,256
	(a)						

(a) Unrealised and not available for distribution as cash dividends.

	Total Equity	Share Capital	Treasury Shares	Retained Earnings
Company (S\$'000)				
Opening Balance at 1 January 2019	63,616	58,856	(138)	4,898
Total Comprehensive Income for the Period ended 30 June 2019	720	-	-	720
Dividends paid	(1,706)	-	-	(1,706)
Closing Balance at 30 June 2019	62,630	58,856	(138)	3,912
Opening Balance at 1 January 2018	64,058	58,856	(138)	5,340
Total Comprehensive Income for the Period ended 30 June 2018	98	-	-	98
Dividends paid	(1,706)	-	-	(1,706)
Closing Balance at 30 June 2018	62,450	58,856	(138)	3,732

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the share capital since the end of the previous period reported on.

There were a total of 788,600 treasury shares held as at 30 June 2019. (30 June 2018 : 788,600)

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1(d)(iii) To show the total number of issued shares excluding treasury shares and subsidiary holdings as at the end of the current financial period and as at the end of the immediately preceding year

	Number of shares	
	As at 30/06/2019	As at 31/12/2018
Total number of issued shares	341,917,487	341,917,487
Treasury shares and subsidiary holdings	788,600	788,600
Total number of issued shares excluding treasury shares and subsidiary holdings	341,128,887	341,128,887

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on

The Company held 788,600 treasury shares as at 30 June 2019. There were no sales, transfers, cancellation and / or use of treasury shares as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The figures have neither been audited nor reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period, which are consistent with the audited financial statements for the year ended 31 December 2018.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group adopted SFRS (I) 16 on 1 January 2019, using the modified retrospective approach, without restating prior years' information.

In compliance with SFRS (I) 16, the Group has applied the practical expedient to recognise the amount of right-of-use assets equal to the lease liabilities as at 1 January 2019. Subsequent to initial recognition, the Group depreciate the right-of-use assets over the lease term, and recognise interest expenses on the lease liabilities.

The right-of-use assets as at 30 June 2019 were mainly related to the leases of the Group's warehouse facilities. Accordingly, there was a corresponding increase in lease liabilities of approximately S\$10.5 million as at 30 June 2019.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group			
	2Q FY2019	2Q FY2018	1H FY2019	1H FY2018
Earnings/(Loss) per ordinary share for the period based on net profit/(loss) attributable to shareholders				
(a) Based on the weighted average number of ordinary shares in issue	0.13 cents	0.21 cents	(0.01) cents	0.25 cents
Weighted average number of ordinary shares in issue (excluding treasury shares and subsidiary holdings)	341,128,887	341,128,887	341,128,887	341,128,887
(b) On a fully diluted basis	0.13 cents	0.21 cents	(0.01) cents	0.25 cents
Weighted average number of ordinary shares in issue (excluding treasury shares and subsidiary holdings)	341,128,887	341,128,887	341,128,887	341,128,887

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- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year**

	Group		Company	
	As at 30/06/2019	As at 31/12/2018	As at 30/06/2019	As at 31/12/2018
Net asset value per ordinary share (cents) *	26.92	27.43	18.36	18.65

* The net asset value per ordinary share of the Group and the Company as at 30 June 2019 is computed based on the total number of issued shares (excluding 788,600 treasury shares and subsidiary holdings) of 341,128,887 (31 December 2018: 341,128,887).

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of the Steel Industry

Based on data compiled by World Steel Association (worldsteel), global crude steel production totaled 925.1 million tonnes (Mt) in the first six months of 2019, up by 4.9% from the same period in 2018. Steel output in China increased 9.9% to 492.2 Mt and accounted for 53% of global production in the first half.

According to a recent industry survey, the outlook for China's steel market remains bearish with high steel inventories and subdued domestic demand expected to continue depressing prices in the near-term. Price of iron ore, which is a key steelmaking input, also declined in July amid weaker market sentiment and softer economic outlook in China. Iron ore price in China was also pressured by increasing output restrictions on steel producers in the country's top steelmaking city of Tangshan to meet air quality targets.

(Source: World Steel Association; "Platts China Steel Sentiment Index edges up to 15.97 points in July, outlook bearish", Platts, 18 July 2019; "China steel, iron ore edge lower in wobbly trade amid tepid demand", Reuters, 11 July 2019; "China iron ore hits 1-wk low as steel output curbs intensify", Reuters, 23 July 2019)

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 (S\$ m)	1Q	2Q	1H	3Q	4Q	Full Year
FY2019	7.0	8.9	15.9	-	-	-
FY2018	8.5	10.9	19.4	9.1	9.3	37.8
y-o-y change	(17%)	(19%)	(18%)	-	-	-

For the second quarter ended 30 June 2019 ("2Q19"), the Group registered revenue of S\$8.9 million which was a decline of 19% from S\$10.9 million in 2Q18. This was attributed to subdued demand for steel products which led to a broad-based decline in sales from the Group's end-user customers in the marine and offshore, engineering/fabrication and construction sectors.

On a sequential basis however, Group revenue increased 25% from S\$7.0 million in 1Q19, primarily on the back of higher orders from customers in the marine and offshore and construction industries.

For the six months ended 30 June 2019 ("1H19"), the Group's sales decreased 18% to S\$15.9 million from S\$19.4 million in 1H18. This was attributable mainly to lower sales to customers in the marine and offshore, engineering/fabrication and construction segments, as well as to other stockists/traders.

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- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (cont'd)

Gross Profit and Gross Profit Margin

		1Q	2Q	1H	3Q	4Q	Full Year
Gross Profit (S\$ m)	FY2019	1.3	1.7	3.0	-	-	-
	FY2018	1.9	2.5	4.4	1.9	1.6	7.9
Gross Profit Margin	FY2019	19.4%	18.8%	19.1%	-	-	-
	FY2018	22.4%	22.9%	22.7%	20.5%	17.7%	20.9%

The Group's gross profit in 2Q19 decreased 33% to S\$1.7 million from S\$2.5 million in 2Q18 in tandem with lower revenue. Gross profit margin eased to 18.8% in 2Q19 compared to 22.9% in 2Q18 as the weighted average cost of inventory sold in 2Q19 was relatively higher compared to 2Q18.

Gross profit margin for 1H19 decreased to 19.1% from 22.7% in 1H18 due mainly to higher weighted cost of inventory sold.

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

Other Items of Income

Other income in 2Q19 was relatively stable at S\$0.3 million which comprised interest income.

Marketing and Distribution Costs and Administrative Expenses

Marketing and distribution costs of S\$61,000 in 2Q19 were steady compared to S\$63,000 in 2Q18. Administrative expenses in 2Q19 were reduced to S\$1.5 million from S\$2.1 million in 2Q18 due mainly to a decrease in staff-related costs.

Net Profit/(Loss) Attributable to Equity Holders and Net Profit Margin

		1Q	2Q	1H	3Q	4Q	Full Year
Net Profit / (Loss) Attributable to Equity Holders (S\$ m)	FY2019	(0.5)	0.4	(0.04)	-	-	-
	FY2018	0.1	0.7	0.8	0.2	0.7	1.7
	y-o-y change	n.m.	(42%)	n.m.	-	-	-
Net Profit Margin	FY2019	n.m.	4.7%	n.m.	-	-	-
	FY2018	0.4%	6.0%	3.5%	1.2%	7.6%	4.0%

The Group posted a profit attributable to equityholders ("PATMI") of S\$0.4 million in 2Q19, a decrease of 42% from S\$0.7 million in 2Q18 due mainly to the impact of slower sales and lower gross profit margin.

For 1H19, the Group reported a marginal loss attributable to equityholders of S\$37,000 compared to PATMI of S\$0.8 million in 1H18. The loss in 1H19 was attributed mainly to the impact of slower sales and lower gross profit margin. Excluding interest, income tax and depreciation expenses, the Group recorded earnings attributable to equityholders of S\$1.0 million in 1H19, compared to S\$1.6 million in 1H18.

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8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (cont'd)

Review of Financial Position

Statement of Financial Position as at 30 June 2018

The Group's balance sheet remained sound with cash and cash equivalents of S\$47.6 million and zero borrowings as at 30 June 2019. Shareholders' equity (excluding treasury shares) stood at S\$91.8 million, which translated to net asset value of 26.9 cents per share. This included cash and cash equivalents of 13.9 cents per share and inventory with book value of 5.4 cents per share.

Property, plant and equipment decreased slightly to S\$19.6 million from S\$20.7 million as at 31 December 2018 due to depreciation charges. As a result of the adoption of SFRS(I) 16, the present value of the operating lease payment commitments for the Group's warehouse facilities are recognised as right-of-use assets, with the corresponding lease liabilities on its balance sheet. As at 30 June 2019, the Group's right-of-use assets stood at S\$10.4 million.

Other financial assets as at 30 June 2019 increased to S\$7.7 million from S\$6.7 million as at 31 December 2018 due to an increase in investments in fixed-income securities.

Trade and other receivables decreased to S\$6.7 million from S\$8.7 million at the end of December 2018 in line with lower sales.

Inventories (measured on a weighted average cost basis) as at 30 June 2019 remained stable at S\$18.4 million compared to 31 December 2018.

Trade and other payables decreased to S\$3.0 million from S\$4.4 million as at 31 December 2018 due mainly to settlement of outstanding trade payables.

Statement of Cash Flows

The Group generated net cash from operating activities of S\$1.5 million during 1H19, attributable to operating cash flows before changes in working capital of S\$0.9 million and a reduction in trade and other receivables. Net cash used in investing activities in 1H19 was S\$11.3 million due mainly to the recognition of right-of-use assets of S\$10.8 million and increase in other financial assets. Net cash generated from financing activities amounted to S\$8.5 million in 1H19 which was attributed mainly to the recognition of lease liabilities of S\$10.3 million, offset partially by payment of dividends of S\$1.7 million to equity owners with respect to FY2018.

As a result of the above factors, the Group's cash and cash equivalents decreased to S\$47.6 million as at 30 June 2019 compared to S\$48.8 million as at 31 December 2018.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results are in line with the commentary in section 10 of the Company's previous financial statements released on 7 May 2019.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Group Outlook

The operating environment is envisaged to remain difficult as macroeconomic risks and demand uncertainties may keep a lid on global steel prices. During 1H19, the Group witnessed muted end-user demand and intense competition in the key markets it serves. While the Group managed to sustain its sales in Singapore, this was offset by weaker demand in the Indonesia and Malaysia markets during 1H19.

The Group expects subdued and uneven customer demand, as well as keen market competition to prevail. Cost of inventory replenishment and market selling prices will continue to be influenced by movements in international steel prices and the US Dollar against the Singapore Dollar.

In light of the present market uncertainties, the Group will remain vigilant on credit exposure and ensure tight control of expenses as part of its prudent financial management. To stay competitive in the industry, the Group will continue to closely monitor the demand trends and purchasing patterns of major steel end-users, and ensure it has sufficient and relevant inventory to provide shorter delivery lead times to customers.

The Group remains confident of its business resilience and sustainability. With a balance sheet backed by cash of S\$47.6 million and zero debt, the Group has a sound financial position to withstand challenging market conditions and capitalise on recovery in demand from key steel consuming industries when it arises.

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11 Dividends

(a) Current financial period reported on

Any dividend declared for the current financial period reported for?

None

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable

(d) Book closure date

Not applicable

12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared/recommended for the period ended. Decision on dividend will be considered upon the full year performance.

13 Interested Person Transactions ("IPT")

If the Group has obtained a general mandate from shareholders for IPT, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Aggregate value of all IPT during the financial year under review (excluding transactions less than S\$100,000)

	1H FY2019 S\$'000	1H FY2018 S\$'000
Penta Transport Services	<u>52</u>	<u>89</u>

The value of IPT of the Group is well below 3% of the Group's latest audited net tangible assets as at 31 December 2018.

The Company has no IPT general mandate.

14 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.

BY ORDER OF THE BOARD

Chew Kok Liang
Company Secretary
6 August 2019

ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

Confirmation by the Board

We, Lee Choon Bok 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 material has come to the attention of the Board of Directors of the Company which may render the financial results for the first half ended 30 June 2019 to be false or misleading.

On behalf of the Board of Directors

LEE CHOON BOK
EXECUTIVE CHAIRMAN

LEE YIH CHYI
MANAGING DIRECTOR