



ASIA ENTERPRISES HOLDING LIMITED

ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

Unaudited Half Year Financial Statement for the Period ended 30 June 2020

- 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		
	1H FY2020 S\$'000	1H FY2019 S\$'000	% + / (-)
Revenue	27,986	15,922	76
Cost of Sales	(24,026)	(12,879)	87
Gross Profit	3,960	3,043	30
<u>Other Items of Income</u>			
Interest Income	518	570	(9)
Other Gains	125	24	421
<u>Other Items of Expense</u>			
Marketing and Distribution Costs	(377)	(96)	293
Administrative Expenses	(3,999)	(3,567)	12
Other Losses	-	(124)	NM
Profit/(Loss) Before Tax from Continuing Operations	227	(150)	NM
Income Tax Income	-	-	NM
Profit/(Loss) for the Period	227	(150)	NM
Profit/(Loss) Attributable to Owners of the Parent, Net of Tax	227	(37)	NM
Profit/(Loss) Attributable to Non-Controlling Interests, Net of Tax	-	(113)	NM
Profit/(Loss) for the Period	227	(150)	NM
Earnings/(Loss) Per Share			
Basic (Cents)	0.07	(0.01)	
Diluted (Cents)	0.07	(0.01)	

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

	Group		
	1H FY2020 S\$'000	1H FY2019 S\$'000	% + / (-)
Foreign exchange adjustment gain/ (loss)	109	(57)	291
Recovery of bad debt written off	-	24	NM
Bad debts written off and recovery costs	1	(67)	NM
Dividend income	14	-	NM
Interest expense on lease liabilities	(150)	(159)	(6)
Depreciation of investment property	(10)	(9)	11
Depreciation of property, plant and equipment	(1,037)	(1,065)	(3)
Depreciation of right-of-use assets	(347)	(388)	(11)

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		
	1H FY2020 S\$'000	1H FY2019 S\$'000	% + / (-)
Profit/(Loss) for the Period	227	(150)	251
Other Comprehensive Income	-	-	
Total Comprehensive Income/(Loss) for the Period	227	(150)	251
Total Comprehensive Income/(Loss) Attributable to Owners of the Parent	227	(37)	714
Total Comprehensive (Loss)/Income Attributable to Non-Controlling Interests	-	(113)	NM
Total Comprehensive Income/(Loss) for the Period	227	(150)	251

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 30/06/2020 S\$'000	As at 31/12/2019 S\$'000	As at 30/06/2020 S\$'000	As at 31/12/2019 S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	17,568	18,602	-	-
Right-of-Use Assets	9,700	10,047	-	-
Investment Property	438	448	-	-
Investments in Subsidiaries	-	-	45,680	45,680
Other Financial Assets, Non-Current	4,855	5,096	2,034	2,800
Other Asset	50	50	-	-
Total Non-Current Assets	32,611	34,243	47,714	48,480
<u>Current Assets</u>				
Inventories	15,318	15,811	-	-
Trade and Other Receivables	9,906	7,425	9,127	9,433
Other Financial Assets, Current	5,447	4,697	2,164	1,907
Cash and Cash Equivalents	44,895	47,424	3,843	3,079
Total Current Assets	75,566	75,357	15,134	14,419
Total Assets	108,177	109,600	62,848	62,899
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	34,535	36,014	2,237	3,918
Capital Reserve	575	575	-	-
Equity, Attributable to Owners of the Parent	93,828	95,307	60,955	62,636
Non-Controlling Interests	-	-	-	-
Total Equity	93,828	95,307	60,955	62,636
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	595	595	-	-
Lease Liabilities	9,433	9,666	-	-
Total Non-Current Liabilities	10,028	10,261	-	-
<u>Current Liabilities</u>				
Income Tax Payable	39	40	40	40
Trade and Other Payables	3,819	3,477	1,853	223
Current Portion of Lease Liabilities	463	515	-	-
Total Current Liabilities	4,321	4,032	1,893	263
Total Liabilities	14,349	14,293	1,893	263
Total Equity and Liabilities	108,177	109,600	62,848	62,899

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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 30/06/2020 S\$'000		As at 31/12/2019 S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30/06/2020 S\$'000		As at 31/12/2019 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	
	1H FY2020 S\$'000	1H FY2019 S\$'000
<u>Cash Flows from Operating Activities</u>		
Profit/(Loss) Before Tax	227	(150)
Adjustments for:		
Depreciation of Investment Property	10	9
Depreciation of Property, Plant and Equipment	1,037	1,065
Depreciation of Right-of-Use Assets	347	388
Interest Income	(518)	(570)
Interest Expenses on Lease Liabilities	150	159
Operating Cash Flows Before Changes in Working Capital	1,253	901
Inventories	492	43
Trade and Other Receivables	(2,481)	1,972
Trade and Other Payables	(1,364)	(1,391)
Net Cash Flows From Operations	(2,100)	1,525
Income Taxes (Paid)/Refunded	-	(7)
Net Cash Flows (Used In)/ From Operating Activities	(2,100)	1,518
<u>Cash Flows from Investing Activities</u>		
Purchase of Property, Plant and Equipment	(3)	(27)
Other Financial Assets - (Increase)/Decrease	(508)	(991)
Interest Received	518	570
Net Cash Flows Used in Investing Activities	7	(448)
<u>Cash Flows from Financing Activities</u>		
Dividends Paid to Equity Owners	-	(1,706)
Dividends Paid by A Subsidiary to Non-Controlling Interests	-	(120)
Purchase of Treasury Shares	-	-
Lease Liabilities - Principal Portion Paid	(286)	(319)
Interest Expenses on Lease Liabilities	(150)	(159)
Net Cash Flows From Financing Activities	(436)	(2,304)
Net (Decrease)/Increase in Cash and Cash Equivalents	(2,529)	(1,234)
Cash and Cash Equivalents, Beginning Balance	47,424	48,807
Cash and Cash Equivalents, Ending Balance	44,895	47,573

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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					Retained Earnings	Non-Controlling Interests
	Total Equity	Parent Sub-Total	Share Capital	Treasury Shares	Capital Reserve		
Group (\$'000)							
Opening Balance at 1 January 2020	95,307	95,307	58,856	(138)	575	36,014	-
Total Comprehensive Loss for the Period ended 30 June 2020	227	227				227	-
Dividends payable	(1,706)	(1,706)				(1,706)	-
Closing Balance at 30 June 2020	93,828	93,828	58,856	(138)	575	34,535	-
	(a)						
Opening Balance at 1 January 2019	98,778	93,580	58,856	(138)	575	34,287	5,198
Total Comprehensive 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)						

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

	Total Equity	Share Capital	Treasury Shares	Retained Earnings
Company (\$'000)				
Opening Balance at 1 January 2020	62,636	58,856	(138)	3,918
Total Comprehensive Income for the Period ended 30 June 2020	25			25
Dividends payable	(1,706)			(1,706)
Closing Balance at 30 June 2020	60,955	58,856	(138)	2,237
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

- 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 2020. (30 June 2019: 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 30/06/2020	As at 31/12/2019
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 2020. 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.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, (a) update on the efforts taken to resolve each outstanding audit issue, (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 2019.

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 2020 were mainly related to the leases of the Group's warehouse facilities. Accordingly, there was a corresponding decrease in lease liabilities of approximately S\$286,000 as at 30 June 2020

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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	
	1H FY2020	1H FY2019
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	0.07 cents	(0.01) cents
Weighted average number of ordinary shares in issue (excluding treasury shares and subsidiary	341,128,887	341,128,887
(b) On a fully diluted basis	0.07 cents	(0.01) cents
Weighted average number of ordinary shares in issue (excluding treasury shares and subsidiary holdings)	341,128,887	341,128,887

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 30/06/2020	As at 12/31/2019	As at 30/06/2020	As at 12/31/2019
Net asset value per ordinary share (cents) *	27.51	27.94	17.87	18.36

* The net asset value per ordinary share of the Group and the Company as at 30 June 2020 is computed based on the total number of issued shares (excluding 788,600 treasury shares and subsidiary holdings) of 341,128,887 (31 December 2019: 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 reported on

Review of the Steel Industry

Based on data compiled by World Steel Association (worldsteel), global crude steel production decreased 6.0% to 873.1 million tonnes (Mt) for the first six months of 2020 compared to the same period in 2019. Crude steel production contracted in Asia, EU and North America regions. However, China's crude steel production continued to hold steady with a modest increase of around 1.4% for the first half of 2020.

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(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 reported on (cont'd)

In the short range outlook released by worldsteel on 4 June 2020, steel demand is expected to contract by 6.4% to 1,654 Mt in 2020 due to the Covid-19 crisis. This is anticipated to be followed by a recovery of 3.8% to 1,717 Mt in 2021. These forecasts were made on the assumptions that most countries' lockdown measures will continue to be eased and major steelmaking economies do not suffer from substantial secondary waves of the pandemic. Steel demand is expected to decline significantly in most countries in 2020, especially during the second quarter, due to general freeze in consumption, shutdowns and disrupted supply chains. With easing of restrictions, worldsteel expects the situation to gradually improve but the recovery in steel demand is expected to be slow.

(Source: World Steel Association)

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)	1H	2H	Full Year
FY2020	28.0	-	-
FY2019	15.9	24.3	40.2
y-o-y change	76%	-	-

For the six months ended 30 June 2020 ("1H20"), Group revenue jumped 76% to S\$28.0 million from S\$15.9 million in 1H19. The Group registered higher volume of sales in 1H20 which more than offset the impact of a decrease in average selling prices ("ASP") amid keen market competition and softer international prices.

The revenue growth in 1H20 was driven primarily by higher sales to customers in the marine and offshore and engineering/fabrication segments. Sales to the marine and offshore sector grew significantly in 1H20 compared to 1H19 on the back of higher purchases of steel products from shipyards in Indonesia primarily for newbuilds of smaller vessels. The sales increase in Indonesia more than counterbalanced a slight decline in sales in Singapore during 1H20. The restrictions put in place by the Singapore government during the circuit breaker to curb the spread of Covid-19 had led to delays in end-users' projects due to workforce and supply chain disruptions.

Gross Profit and Gross Profit Margin

		1H	2H	Full Year
Gross Profit	FY2020	4.0	-	-
(S\$ m)	FY2019	3.0	3.9	7.0
Gross Profit	FY2020	14.1%	-	-
Margin	FY2019	19.1%	16.2%	17.4%

The Group's gross profit increased 30% to S\$4.0 million in 1H20 on the back of higher revenue. Gross profit margin eased to 14.1% in 1H20 from 19.1% in 1H19 due mainly to lower average selling prices.

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.

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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 reported on (cont'd)

Other Items of Income

Other income in 1H20 remained relatively stable at S\$0.6 million, which comprised primarily interest income and a foreign exchange gain.

Distribution Costs and Administrative Expenses

Marketing and distribution costs in 1H20 increased to S\$0.4 million compared to S\$96,000 previously in tandem with the level of freight and handling services that were required to fulfill customers' orders.

Administrative expenses in 1H20 increased to S\$4.0 million from S\$3.6 million in 1H19 due mainly to higher provision for staff and other operating expenses.

Net Profit / (Loss) Attributable to Equity Holders

		1H	2H	Full Year
Net Profit / (Loss)	FY2020	0.2	-	-
Attributable to Equity Holders	FY2019	0.0	0.7	0.7
(\$ m)	y-o-y change	n.m.	-	-
Net Profit	FY2020	0.8%	-	-
Margin	FY2019	n.m.	2.7%	1.3%

As a result of higher sales and increased gross profit, the Group achieved a profit turnaround in 1H20. The Group posted net profit attributable to equityholders ("PATMI") of S\$0.2 million in 1H20 compared to a net loss of S\$37,000 in 1H19.

Review of Financial Position

Statement of Financial Position as at 30 June 2020

The Group's balance sheet remained sound with cash and cash equivalents of S\$44.9 million and zero borrowings as at 30 June 2020. Shareholders' equity (excluding treasury shares) decreased to S\$93.8 million from S\$95.3 million as at 31 December 2019 due to accrual of final dividend with respect to FY2019 ("FY2019 dividend"). The FY2019 dividend will be paid on 7 August 2020.

As at 30 June 2020, the Group had net asset value of 27.5 cents per share that included cash and cash equivalents of 13.2 cents per share and inventory with book value of 4.5 cents per share.

Property, plant and equipment decreased to S\$17.6 million from S\$18.6 million as at 31 December 2019 due 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 2020, the Group's right-of-use assets and lease liabilities stood at S\$9.7 million and S\$9.9 million respectively.

Other financial assets as at 30 June 2020 increased slightly to S\$10.3 million from S\$9.8 million as at 30 June 2020 due to higher investments in fixed-income securities.

Trade and other receivables increased to S\$9.9 million from S\$7.4 million at the end of December 2019 as a result of higher sales.

Inventories (measured on a weighted average cost basis) as at 30 June 2020 stood at S\$15.3 million compared to S\$15.8 million as at 31 December 2019, in tandem with the Group's sales and inventory replenishment activities

Trade and other payables increased slightly to S\$3.8 million from S\$3.5 million as at 31 December 2019 due mainly to the accrual of FY2019 dividend, offset partially by lower trade payables.

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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 reported on (cont'd)

Statement of Cash Flows

Net cash used in operating activities amounted to S\$2.1 million in 1H20. This was attributed to operating cash flows before changes in working capital of S\$1.3 million and higher trade and other payables, which were offset partially by an increase in trade and other receivables.

Net cash generated from investing activities in 1H20 was S\$7,000. This was attributed mainly to the increase in other financial assets, offset partially by interest income.

Net cash used in financing activities amounted to S\$0.4 million for the payment of lease liabilities.

As a result of the above factors, the Group's cash and cash equivalents decreased to S\$44.9 million as at 30 June 2020 compared to S\$47.6 million as at 31 December 2019.

- 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 13 February 2020.

- 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.**

The Group expects business conditions to be challenging during the second half of 2020 in view of the economic fallout from the Covid-19 pandemic. Given the continued uncertainty surrounding the Covid-19 situation and rapidly changing government measures that could disrupt business activities, the global economic outlook appears fragile and unclear.

While the Group was able to continue with its steel distribution business in Singapore during the circuit breaker period, some of its end-users in the Singapore market had to halt their ongoing projects due to workforce disruptions or restrictions in business activities during the second quarter of 2020.

As Covid-19 takes its toll on the local and global economies, this could lead to a slowdown in the pipeline of projects in end-users' industries. In Singapore, projects in the offshore and marine sector could be hampered by reductions in investment plans by energy companies due to the unprecedented decline in worldwide oil consumption and weaker crude oil prices. This would have an adverse impact on the demand for steel products.

Although the Group experienced better demand for steel products in Indonesia during 1H20, it remains cautious of the strength and sustainability of demand, depending on the full effect of Covid-19 on the country's economic and business activities in the second half of 2020.

On the supply side, the Group has thus far, not witnessed any major disruptions to the global steel supply chain. The Group continues to replenish its steel inventory from suppliers in Asia and Europe. However, keen market competition, fluctuations in international steel prices and movements in the US Dollar vis-à-vis the Singapore Dollar will continue to affect the Group's cost of inventory replenishment and market selling prices.

Although the path ahead is fraught with uncertainties, the Group believes its sound and debt-free balance sheet will enable it to withstand challenging business periods. To ensure long term sustainability, the Group will continue to exercise prudence and vigilance in its sales, inventory and credit management to safeguard its financial position.

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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 FY2020 S\$'000	1H FY2019 S\$'000
Penta Transport Services	64	52

The value of IPT of the Group is well below 3% of the Group's latest audited net tangible assets as at 31 December 2019.

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.

15 Disclosure pursuant to Rule 706A of the Listing Manual

During the first half of FY2020 and as at the date of this announcement, there were no changes to the Company's and the Group's shareholding percentage in its respective subsidiaries or associated companies nor incorporation of any new subsidiary or associate by the Company or any of the Group's entities.

BY ORDER OF THE BOARD

Chew Kok Liang
Company Secretary
6 August 2020

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Confirmation by the Board

We, Lee Bon Leong 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 2020 to be false or misleading.

On behalf of the Board of Directors

LEE BON LEONG
NON-EXECUTIVE, INDEPENDENT CHAIRMAN

LEE YIH CHYI
MANAGING DIRECTOR