

ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

Unaudited Full Year Financial Statement and Dividend Announcement for the Year ended 31 December 2015

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					
	4Q FY2015 S\$'000	4Q FY2014 S\$'000	% + / (-)	Year Ended 31/12/2015 S\$'000	Year Ended 31/12/2014 S\$'000	% + / (-)
Revenue	7,014	8,249	(15)	32,300	65,072	(50)
Cost of Sales	(6,466)	(7,014)	(8)	(28,631)	(56,482)	(49)
Gross Profit	548	1,235	(56)	3,669	8,590	(57)
<u>Other Items of Income</u>						
Interest Income	183	118	55	572	334	71
Other Gains	20	682	(97)	257	1,171	(78)
<u>Other Items of Expense</u>						
Marketing and Distribution Costs	(148)	(72)	106	(403)	(860)	(53)
Administrative Expenses	(1,116)	(1,230)	(9)	(6,020)	(6,584)	(9)
Finance Costs	-	(1)	-	(1)	(2)	(50)
Other Losses	(9,969)	(541)	NM	(10,244)	(543)	NM
(Loss)/Profit Before Tax from Continuing Operations	(10,482)	191	NM	(12,170)	2,106	NM
Income Tax Credit/(Expense)	56	194	(71)	36	(122)	NM
(Loss)/Profit Net of Tax	(10,426)	385	NM	(12,134)	1,984	NM
(Loss)/Profit Attributable to Owners of the Parent, Net of Tax	(10,333)	379	NM	(12,080)	1,910	NM
(Loss)/Profit Attributable to Non-Controlling Interests, Net of Tax	(93)	6	NM	(54)	74	NM
	(10,426)	385	NM	(12,134)	1,984	NM
(Loss)/Earnings Per Share						
Basic (Cents)	(3.02)	0.11		(3.53)	0.56	
Diluted (Cents)	(3.02)	0.11		(3.53)	0.56	

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

	Group					
	4Q FY2015 S\$'000	4Q FY2014 S\$'000	% + / (-)	Year Ended 31/12/2015 S\$'000	Year Ended 31/12/2014 S\$'000	% + / (-)
Gain on disposal of plant and equipment	-	-	-	25	16	56
Foreign exchange adjustment gain/(loss)	19	371	(95)	(36)	508	NM
Write-back of doubtful debts and bad debts	-	310	NM	231	646	(64)
Write-off of doubtful debts and bad debts	(159)	-	NM	(398)	(2)	NM
Fair value losses on derivatives	-	(278)	NM	-	(278)	NM
Dividend income	1	1	-	1	1	-
Inventory written down	(9,810)	(263)	NM	(9,810)	(263)	NM
Depreciation expenses	(111)	(113)	(2)	(450)	(428)	5

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					
	4Q FY2015 S\$'000	4Q FY2014 S\$'000	% + / (-)	Year Ended 31/12/2015 S\$'000	Year Ended 31/12/2014 S\$'000	% + / (-)
(Loss)/Profit Net of Tax	(10,426)	385	NM	(12,134)	1,984	NM
Other Comprehensive Income	-	-		-	-	
Total Comprehensive (Loss)/Income for the Period	(10,426)	385	NM	(12,134)	1,984	NM
Total Comprehensive (Loss)/Income Attributable to Owners of the Parent	(10,333)	379	NM	(12,080)	1,910	NM
Total Comprehensive (Loss)/Income Attributable to Non-Controlling Interests	(93)	6	NM	(54)	74	NM
Total Comprehensive (Loss)/Income	(10,426)	385	NM	(12,134)	1,984	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 31/12/2015 S\$'000	As at 31/12/2014 S\$'000	As at 31/12/2015 S\$'000	As at 31/12/2014 S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	8,004	6,186	-	-
Investment Property	526	545	-	-
Investments in Subsidiaries	-	-	43,530	43,530
Other Assets	100	100	-	-
Total Non-Current Assets	8,630	6,831	43,530	43,530
<u>Current Assets</u>				
Inventories	16,981	38,850	-	-
Trade and Other Receivables	6,458	7,421	18,000	21,909
Other Financial Assets	1,019	1,033	-	-
Cash and Cash Equivalents	68,372	66,958	2,662	2,172
Total Current Assets	92,830	114,262	20,662	24,081
Total Assets	101,460	121,093	64,192	67,611
EQUITY AND LIABILITIES				
<u>Equity Attributable to Owners of the Parent</u>				
Share Capital	58,856	58,856	58,856	58,856
Retained Earnings	33,272	50,481	5,100	8,521
Capital Reserve	575	575	-	-
Equity, Attributable to Owners of the Parent	92,703	109,912	63,956	67,377
Non-Controlling Interests	5,879	6,333	-	-
Total Equity	98,582	116,245	63,956	67,377
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	688	688	-	-
Total Non-Current Liabilities	688	688	-	-
<u>Current Liabilities</u>				
Income Tax Payable	12	324	12	10
Trade and Other Payables	2,178	2,868	224	224
Other Financial Liabilities	-	968	-	-
Total Current Liabilities	2,190	4,160	236	234
Total Liabilities	2,878	4,848	236	234
Total Equity and Liabilities	101,460	121,093	64,192	67,611

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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 31/12/2015 S\$'000		As at 31/12/2014 S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	690

Amount repayable after one year

As at 31/12/2015 S\$'000		As at 31/12/2014 S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The unsecured portion consists of trust receipts of the Group arising from the ordinary course of business.

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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			
	4Q FY2015 S\$'000	4Q FY2014 S\$'000	Year Ended 31/12/2015 S\$'000	Year Ended 31/12/2014 S\$'000
<u>Cash Flows from Operating Activities</u>				
(Loss)/Profit Before Tax	(10,482)	191	(12,170)	2,106
Adjustments for:				
Depreciation of Investment Property	5	5	19	20
Depreciation of Property, Plant and Equipment	106	108	431	408
Interest Income	(183)	(118)	(572)	(334)
Interest Expense	-	1	1	2
Gain on Disposal of Plant and Equipment	-	-	(25)	(16)
Fair Value Losses on Derivatives	-	278	-	278
Operating Cash Flows Before Changes in Working Capital	(10,554)	465	(12,316)	2,464
Inventories	12,300	1,892	21,869	8,140
Trade and Other Receivables	1,145	7,521	963	11,717
Trade and Other Payables	24	(590)	(690)	(313)
Net Cash Flows From Operations Before Interest and Tax	2,915	9,288	9,826	22,008
Income Taxes (Refund)/Paid	25	(60)	(276)	(487)
Net Cash Flows From Operating Activities	2,940	9,228	9,550	21,521
<u>Cash Flows from Investing Activities</u>				
Purchase of Financial Assets	7	7	14	(1,021)
Disposal of Plant and Equipment	-	-	40	16
Purchase of Plant and Equipment	(1,679)	(88)	(2,264)	(493)
Interest Received	183	118	572	334
Net Cash Flows (Used in)/From Investing Activities	(1,489)	37	(1,638)	(1,164)
<u>Cash Flows from Financing Activities</u>				
Dividends Paid to Equity Owners	-	-	(5,129)	(1,709)
Dividends Paid by A Subsidiary to Non-Controlling Interests	-	-	(400)	(80)
Other Financial Liabilities	-	690	(968)	690
Interest Paid	-	(1)	(1)	(2)
Net Cash Flows From/(Used in) Financing Activities	-	689	(6,498)	(1,101)
Net Increase in Cash and Cash Equivalents	1,451	9,954	1,414	19,256
Cash and Cash Equivalents, Beginning Balance	66,921	57,004	66,958	47,702
Cash and Cash Equivalents, Ending Balance	68,372	66,958	68,372	66,958

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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	Capital Reserve	Retained Earnings	
Group (S\$'000)						
Opening Balance at 1 January 2015	116,245	109,912	58,856	575	50,481	6,333
Total Comprehensive Loss for the Year ended 31 December 2015	(12,134)	(12,080)	-	-	(12,080)	(54)
Dividends paid	(5,529)	(5,129)	-	-	(5,129)	(400)
Closing Balance at 31 December 2015	98,582	92,703	58,856	575	33,272	5,879
	(a)					
Opening Balance at 1 January 2014	116,050	109,711	58,856	575	50,280	6,339
Total Comprehensive Income for the Year ended 31 December 2014	1,984	1,910	-	-	1,910	74
Dividends paid	(1,789)	(1,709)	-	-	(1,709)	(80)
Closing Balance at 31 December 2014	116,245	109,912	58,856	575	50,481	6,333
	(a)					

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

	Total Equity	Share Capital	Retained Earnings
Company (S\$'000)			
Opening Balance at 1 January 2015	67,377	58,856	8,521
Total Comprehensive Income for the Year ended 31 December 2015	1,708	-	1,708
Dividends paid	(5,129)	-	(5,129)
Closing Balance at 31 December 2015	63,956	58,856	5,100
Opening Balance at 1 January 2014	64,817	58,856	5,961
Total Comprehensive Income for the Year ended 31 December 2014	4,269	-	4,269
Dividends paid	(1,709)	-	(1,709)
Closing Balance at 31 December 2014	67,377	58,856	8,521

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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

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

The Company has no outstanding convertibles and treasury shares 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.

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

The total number of issued shares excluding treasury shares

As at 31 December 2015	341,917,487
As at 31 December 2014	341,917,487

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

The Company has no treasury shares as at 31 December 2015.

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

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 2014.

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

Please refer to Item 4 above.

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			
	4Q FY2015	4Q FY2014	Year Ended 31/12/2015	Year Ended 31/12/2014
(Loss)/Earnings per ordinary share for the period based on net (loss)/profit attributable to shareholders				
(a) Based on 341,917,487 ordinary shares	(3.02) cents	0.11 cents	(3.53) cents	0.56 cents
(b) On a fully diluted basis	(3.02) cents	0.11 cents	(3.53) cents	0.56 cents

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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 31/12/2015	As at 31/12/2014	As at 31/12/2015	As at 31/12/2014
Net asset value per ordinary share (cents) *	27.11	32.15	18.71	19.71

* Based on share capital of 341,917,487 ordinary shares for both period and year.

- 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 the figures released by World Steel Association (worldsteel), global crude steel production in the first 11 months of 2015 decreased 2.8% year-on-year to around 1,471 million tonnes (Mt). This was due mainly to lower crude steel production in the main steel producing regions of Asia, North America, C.I.S., and EU. Production in China, the largest steel producer with half of the world's output, fell 2.2% or 16.6 million Mt during the 11-month period.

According to MEPS, world steel prices plummeted by 28% in the twelve months to November 2015. It said sluggish global demand and high inventory levels continued to keep international steel prices under pressure in December. Spot prices in China reached record lows as local producers have been selling excess stock at discounted prices. In addition, slower domestic demand has also seen Chinese mills exporting record amounts at low prices. Steel shipments from China increased 20% in 2015 to an all-time high of 112.4 million Mt, based on data released by the country's General Administration of Customs.

MEPS is predicting its World Average Carbon Steel Price to turn up in 2017 after the substantial reduction seen in 2015 and a more modest decline expected in 2016.

(Sources: World Steel Association; MEPS, "Global Steel Prices Continue to Slide in December" on 22 December 2015, "International Steel Round Up" on 7 December 2015, "MEPS Forecasts a Global Steel Price Recovery in 2017" on 12 November 2015; Bloomberg News, "China confirms steel industry in decline" on 20 January 2015)

Review of Statement of Comprehensive Income

The Group experienced tough business conditions during the financial year ended 31 December 2015 ("FY2015"). The global steel market was sluggish as demand for steel products remained tepid while inventory levels continued to be in excess. Steel requirements from end-user industries were dampened by slower business activities amid the uncertain global economic climate and downturn in the oil industry. As a result, Group revenue declined by 50% to S\$32.3 million in FY2015.

International steel prices also continued on a downward trend during the second half of FY2015. Consequently, the Group had to write down the value of certain steel products in its inventory amounting to S\$9.8 million during the fourth quarter of FY2015 ("4Q15"). This, coupled with lower revenue, resulted in a net loss of S\$12.1 million for FY2015. While the Group kept a tight rein on operating overheads and expenses, these prudent cost control measures were insufficient to mitigate the impact of the revenue decline and inventory write-down.

Notwithstanding the net loss, the Group is recommending a final dividend of 0.5 cents per share to reward shareholders for their support of Asia Enterprises. This proposed dividend sum will also ensure sufficient liquidity to support the Group's working capital needs, warehouse redevelopment works, and its intention to put in place a share buyback program which will be proposed at the next annual general meeting. Information on the proposed share buyback program will be furnished in due course.

As at 31 December 2015, the Group has a sound financial position with cash and cash equivalents of S\$68.4 million and zero borrowings. The Group's net asset value per share of 27.11 cents as at 31 December 2015 includes cash and cash equivalents of 20.0 cents per share and inventory of steel products with book value of 4.97 cents per share.

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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)

Revenue

Revenue (\$\$ m)	1Q	2Q	3Q	4Q	Full Year
FY2015	9.9	7.9	7.5	7.0	32.3
FY2014	21.9	21.7	13.2	8.3	65.1
y-o-y change	(55%)	(64%)	(43%)	(15%)	(50%)

The Group recorded a 15% decline in revenue to S\$7.0 million in 4Q15 compared to S\$8.3 million in 4Q14 due mainly to lower average selling prices as overall sales volume remained largely unchanged.

The demand for steel products from the Group's key customer industries remained lacklustre throughout the past year. As a result, Group revenue fell 50% to S\$32.3 million in FY2015 from S\$65.1 million in FY2014, due largely to a contraction in sales volume, as well as the impact of weaker average selling prices.

Revenue Breakdown by Industry

Industry	FY2015		FY2014		y-o-y
	(\$\$ m)	%	(\$\$ m)	%	%
Marine and Offshore	10.1	31	32.4	50	(69)
Engineering/fabrication	9.0	28	14.5	22	(38)
Construction	5.1	16	5.7	9	(11)
Stockists and traders	4.6	14	7.7	12	(40)
Manufacturing, precision metal stamping & Others	3.5	11	4.8	7	(27)
Total	32.3	100	65.1	100	(50)

The decline in revenue for FY2015 was attributed largely to the marine and offshore segment which saw sales decreasing 69% to S\$10.1 million in FY2015. This was due to the substantial slowdown in newbuilding activities at shipyards amid weakness in the commodities markets. Sales to engineering/fabrication customers in FY2015 also declined to S\$9.0 million from S\$14.5 million previously as a result of slower orders. Sales derived from the construction segment eased to S\$5.1 million from S\$5.7 million due mainly to lower average selling prices.

Revenue Breakdown by Geographical Market

Countries	FY2015		FY2014		y-o-y
	(\$\$ m)	%	(\$\$ m)	%	%
Singapore	23.1	72	31.6	48	(27)
Indonesia	3.4	10	25.4	39	(87)
Malaysia	2.0	6	5.0	8	(60)
Others	3.8	12	3.1	5	23
Total	32.3	100	65.1	100	(50)

N.B. Revenue breakdown is based on shipment destination

Sales to Indonesia in FY2015 shrank considerably to S\$3.4 million from S\$25.4 million in the previous year due to slower business conditions at shipyards. While sales to Singapore in FY2015 were also lower compared to FY2014, the decline was relatively smaller as the Group serves a more diversified customer base that includes end-users from marine and offshore, engineering / fabrication, construction and manufacturing industries. On the other hand, sales to other markets in the region showed an improvement to S\$3.8 million in FY2015, compared to S\$3.1 million in FY2014.

Gross Profit and Gross Profit Margin

		1Q	2Q	3Q	4Q	Full Year
Gross Profit (\$\$ m)	FY2015	1.4	1.0	0.7	0.5	3.7
	FY2014	3.0	2.8	1.6	1.2	8.6
Gross Profit Margin	FY2015	13.9%	13.0%	9.5%	7.8%	11.4%
	FY2014	13.7%	12.9%	11.9%	15.0%	13.2%

The Group's gross profit in 4Q15 decreased 56% year-on-year to S\$0.5 million. Gross profit margin in 4Q15 narrowed to 7.8% compared to 15.0% in 4Q14 and 9.5% in 3Q15 as a result of weaker average selling prices.

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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)

In line with lower revenue, gross profit for FY2015 contracted by 57% to S\$3.7 million while gross profit margin softened to 11.4% compared to 13.2% in FY2014.

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

In 4Q15, the Group recorded lower other income of S\$0.2 million compared to S\$0.8 million in 4Q14 due mainly to lower foreign exchange gain and the absence of a write-back of doubtful and bad debts. For FY2015, other income decreased to S\$0.8 million from S\$1.5 million a year ago as a result of lower write-back of doubtful and bad debts, and a foreign exchange loss compared to a gain in FY2014.

Marketing and Distribution Costs and Administrative Expenses

Marketing and distribution costs in 4Q15 increased to S\$0.1 million from S\$72,000 in 4Q14 in line with the level of freight and handling services that were required for customers' orders. On the other hand, administrative expenses in 4Q15 decreased to S\$1.1 million from S\$1.2 million in 4Q14.

For FY2015, marketing and distribution costs decreased 53% to S\$0.4 million, which corresponds with the lower volume of business during the year. Administrative expenses also fell to S\$6.0 million from S\$6.6 million in FY2014 due mainly to lower provision for staff bonus.

Finance Costs and Other Losses

The Group did not incur any finance costs in 4Q15. Other losses in 4Q15 amounted to S\$10.0 million compared to S\$0.5 million in 4Q14. The other losses in 4Q15 were largely attributed to a write-down in the value of the Group's steel inventory as market prices of steel products continued to slide during FY2015. In 4Q14, the other losses arose from fair value loss on derivatives and inventory written down.

For FY2015, the Group recorded other losses of S\$10.2 million compared to S\$0.5 million in FY2014.

Net Profit and Net Profit Margin

		1Q	2Q	3Q	4Q	Full Year
Net Profit / Loss (\$ m)	FY2015	(0.6)	(0.5)	(0.7)	(10.4)	(12.1)
	FY2014	0.6	0.7	0.2	0.4	2.0
	y-o-y change	n.m.	n.m.	n.m.	n.m.	n.m.
Net Profit Margin	FY2015	n.m.	n.m.	n.m.	n.m.	n.m.
	FY2014	2.8%	3.4 %	1.9%	4.7%	3.0%

The Group posted a net loss of S\$10.4 million in 4Q15 due mainly to lower gross profit margin and the write-down in the value of steel inventory. As a result, the Group recorded a net loss of S\$12.1 million for FY2015. Although the Group maintained a tight rein on its operating overheads and expenses, these cost control measures were insufficient to mitigate the impact from the substantial decrease in revenue and the write-down in inventory.

Dividend

Notwithstanding the net loss, the Board of Directors is recommending a final dividend payment of 0.5 cents per share with respect to FY2015. The proposed dividend is subject to shareholders' approval at the Company's annual general meeting.

Review of Financial Position

Statement of Financial Position as at 31 December 2015

As at 31 December 2015, the Group's shareholders' equity stood at S\$92.7 million, which translated to net asset value of 27.11 cents per share.

The Group had cash and cash equivalents of S\$68.4 million and remained debt free as at 31 December 2015.

Trade and other receivables decreased slightly to S\$6.5 million at the end of December 2015, compared to S\$7.4 million as at 31 December 2014.

Inventories (measured on a weighted average cost basis) as at 31 December 2015 decreased to S\$17.0 million from S\$38.9 million at the end of December 2014, due to the write-down in the value of steel inventory and the alignment of stock levels to prevailing market conditions.

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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)

Trade and other payables decreased to S\$2.2 million from S\$2.9 million as at 31 December 2014, due mainly to lower purchases. Other financial liabilities as at 31 December 2015 were nil compared to S\$1.0 million as at 31 December 2014 which was due mainly to trust receipts.

Statement of Cash Flows

Net cash generated from operating activities during FY2015 was S\$9.6 million, attributable mainly to a decrease in inventory. Net cash used in investing activities amounted to approximately S\$1.6 million, which was mainly for the redevelopment of the Group's warehouse. Net cash used for financing activities in FY2015 was S\$6.5 million owing mainly to the payment of dividends to equityholders with respect to FY2014. As a result, the Group's cash and cash equivalents increased by S\$1.4 million during FY2015 to S\$68.4 million.

- 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 statement released on 3 November 2015, and its profit guidance announced on 28 January 2016.

- 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

FY2015 has been a challenging year and based on current market sentiment, the Group believes that steel demand from its customers in key end-user segments is likely to remain modest in tandem with the slower pace of their business activities. The slowdown in China's economy has also adversely affected the global commodities markets. As such, the operating environment will continue to be volatile and challenging due to the deterioration of market demand for steel and excess steel production capacities worldwide.

Given the supply-demand imbalances in the steel market, competition within the steel distribution industry is expected to remain intense. In addition, fluctuations in the exchange rate of the US dollar against the Singapore dollar could also affect the cost of replenishing inventory.

In spite of the challenging business landscape, the Group remains committed to rewarding its shareholders and is recommending a final dividend payment of 0.5 cents per share for FY2015. Since its public listing on the Singapore Exchange in 2005, Asia Enterprises has consistently paid dividends representing at least 40% of its earnings every year to reward shareholders for their continuous support.

The Group recognises the importance of sustaining shareholder value and having the financial strength to endure periods of slower business activities. Besides working capital requirements, the Group needs to ensure it has sufficient financial resources for the ongoing redevelopment of one of its warehouses to extend the lease. We also intend to put in place a share buyback program which will be proposed at the next annual general meeting. The Group will provide the information on the proposed share buyback program to shareholders in due course.

With a balance sheet backed by S\$68.4 million in cash and no debts to service, the Group is confident of its ability to withstand the current business slowdown. It also believes it is well-positioned to capitalise on opportunities when the major steel consuming industries such as shipyards, start to experience a recovery momentum in business activities.

The Group will continue to prudently manage its inventory purchases while ensuring its stock level and inventory mix are aligned to customers' project requirements. Besides keeping a close watch on its operating expenses, the Group will also continue to sustain its market competitiveness by focusing on prompt services and maintaining an optimal mix of products that address customers' needs.

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11 Dividends

(a) Current financial period reported on

Any dividend declared for the current financial period reported for?

Yes

Name of Dividend	:	Final Dividend
Dividend Type	:	Cash
Dividend Amount Per Share (in cents)	:	0.5 cent per ordinary share (tax exempt one-tier)

(b) Corresponding period of the immediately preceding financial year

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

Yes

Name of Dividend	:	Final Dividend
Dividend Type	:	Cash
Dividend Amount Per Share (in cents)	:	0.25 cent per ordinary share (tax exempt one-tier)

Name of Dividend	:	Special Dividend
Dividend Type	:	Cash
Dividend Amount Per Share (in cents)	:	1.25 cent per ordinary share (tax exempt one-tier)

(c) Date payable

To be announced later.

(d) Book closure date

To be announced later.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

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)

	Year Ended 31/12/2015 S\$'000	Year Ended 31/12/2014 S\$'000
Penta Transport Services	194	388

The value of IPT of the Group is well below 3% of the Group's latest net tangible assets as at 31 December 2015.

The Company has no IPT general mandate.

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PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year results)

14 Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year

Continuing Operations 2015	Steel Distribution \$'000	Provision of steel processing \$'000	Corporate \$'000	Unallocated \$'000	Total \$'000
Revenue by Segment					
Total revenue by segment	25,955	7,014	62	-	33,031
Inter-segment sales	(40)	(636)	(55)	-	(731)
Total revenue	<u>25,915</u>	<u>6,378</u>	<u>7</u>	<u>-</u>	<u>32,300</u>
Recurring EBITDA	(11,807)	(142)	(367)	-	(12,316)
Depreciation	(177)	(273)	-	-	(450)
Interest income				572	572
Finance costs				(1)	(1)
ORBIT *	<u>(11,984)</u>	<u>(415)</u>	<u>(367)</u>	<u>571</u>	<u>(12,195)</u>
Other unallocated items					25
Profit before tax from continuing operations					(12,170)
Income tax expense					36
Profit from continuing operations					(12,134)
Non-controlling interests					54
Profit attributable to owners of the parent					<u>(12,080)</u>
Other Material Items and Reconciliations:-					
Expenditure for non-current assets	2,179	85	-	-	2,264
Depreciation expense	177	273	-	-	450
Write-back of trade receivables	231	-	-	-	231
Write-off of trade receivables	(398)	-	-	-	(398)
Inventories written down	<u>9,430</u>	<u>380</u>	<u>-</u>	<u>-</u>	<u>9,810</u>
Assets and Reconciliations					
Total assets for reportable segments	<u>83,009</u>	<u>15,430</u>	<u>2,662</u>	<u>-</u>	101,101
Unallocated corporate assets					359
Total group assets					<u>101,460</u>
Liabilities and Reconciliations					
Total liabilities for reportable segments	<u>1,637</u>	<u>272</u>	<u>223</u>	<u>-</u>	2,132
Unallocated corporate liabilities:-					
Other payables					46
Income tax payable					12
Deferred tax liabilities					688
Total group liabilities					<u>2,878</u>

Information about major customers:-

There are no customers with revenue transactions of over 10% of the group revenue.

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14 Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year (cont'd)

Continuing Operations 2014	Steel Distribution \$'000	Provision of steel processing \$'000	Corporate \$'000	Unallocated \$'000	Total \$'000
Revenue by Segment					
Total revenue by segment	57,825	8,150	57	-	66,032
Inter-segment sales	(111)	(794)	(55)	-	(960)
Total revenue	<u>57,714</u>	<u>7,356</u>	<u>2</u>	<u>-</u>	<u>65,072</u>
Recurring EBITDA	2,368	203	(386)	-	2,185
Depreciation	(185)	(243)	-	-	(428)
Interest income				334	334
Finance costs				(2)	(2)
ORBIT *	<u>2,183</u>	<u>(40)</u>	<u>(386)</u>	<u>332</u>	<u>2,089</u>
Other unallocated items					17
Profit before tax from continuing operations					2,106
Income tax expense					(122)
Profit from continuing operations					1,984
Non-controlling interests					(74)
Profit attributable to owners of the parent					<u>1,910</u>
Other Material Items and Reconciliations:-					
Expenditure for non-current assets	206	287	-	-	493
Depreciation expense	185	243	-	-	428
Write-back of trade receivables	644	-	-	-	644
Inventories written down	253	10	-	-	263
Fair value losses on derivatives	<u>278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>278</u>
Assets and Reconciliations					
Total assets for reportable segments	<u>101,333</u>	<u>17,340</u>	<u>2,172</u>	<u>-</u>	120,845
Unallocated corporate assets					248
Total group assets					<u>121,093</u>
Liabilities and Reconciliations					
Total liabilities for reportable segments	<u>1,170</u>	<u>332</u>	<u>225</u>	<u>-</u>	1,727
Unallocated corporate liabilities:-					
Other payables					1,141
Other financial liabilities					968
Income tax payable					324
Deferred tax liabilities					688
Total group liabilities					<u>4,848</u>

Information about major customers:-

There are no customers with revenue transactions of over 10% of the group revenue.

* ORBIT - Operating results before income tax.

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- 14 **Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year (cont'd)**

The Group's operations are located in Singapore. An analysis of the Group revenue by geographical market which is analysed based on the billing address of each individual customer is provided below. In addition, the segment assets and capital expenditure analysed by the geographic area in which the assets are located are also tabled below.

	Revenue \$'000	Segment non-current assets \$'000	Segment assets \$'000	Capital expenditure \$'000
2015				
Singapore	24,609	8,630	100,248	2,264
Indonesia	2,933	-	974	-
Malaysia	2,010	-	238	-
Other regions	2,748	-	-	-
	<u>32,300</u>	<u>8,630</u>	<u>101,460</u>	<u>2,264</u>
	Revenue \$'000	Segment non-current assets \$'000	Segment assets \$'000	Capital expenditure \$'000
2014				
Singapore	42,302	6,831	119,984	493
Indonesia	15,450	-	649	-
Malaysia	5,026	-	389	-
Other regions	2,294	-	71	-
	<u>65,072</u>	<u>6,831</u>	<u>121,093</u>	<u>493</u>

- 15 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business and geographical segments**

Please refer to item no. 8.

- 16 **A breakdown of sales**

	Group		
	Year ended 31/12/2015 S\$'000	Year ended 31/12/2014 S\$'000	Increase/ (Decrease) %
First Half			
Sales reported for first half year	<u>17,777</u>	<u>43,584</u>	(59)
(Loss)/Profit after tax and before minority interest for first half year	<u>(1,019)</u>	<u>1,354</u>	NM
Second Half			
Sales reported for second half year	<u>14,523</u>	<u>21,488</u>	(32)
(Loss)/Profit after tax and before minority interest for second half year	<u>(11,115)</u>	<u>630</u>	NM

- 17 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

	Latest Full Year \$'000	Previous Full Year \$'000
Ordinary	1,710	5,129
Preference	-	-
Total	<u>1,710</u>	<u>5,129</u>

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- 18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(9) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lee Choon Yam	57	Brother of Lee Choon Bok Uncle of Lee Yih Chyi	Head of Production (since 1 July 2005). In charge of production and maintenance	NIL
Lee Yih Lin	43	Son of Lee Choon Bok Brother of Lee Yih Chyi Nephew of Lee Choon Yam	General Manager (since 3 July 2006). His duties include business development, sales and marketing and to solicit, study, propose and negotiate for favourable and feasible projects and businesses in line with corporate directives.	NIL

19 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
2 February 2016