

## ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

### Unaudited First Half Financial Statement for the Period ended 30 June 2017

#### 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 FY2017 S\$'000	2Q FY2016 S\$'000	% + / (-)	1H FY2017 S\$'000	1H FY2016 S\$'000	% + / (-)
<b>Revenue</b>	9,670	8,505	14	14,886	18,185	(18)
Cost of Sales	(7,063)	(6,026)	17	(10,640)	(13,228)	(20)
<b>Gross Profit</b>	2,607	2,479	5	4,246	4,957	(14)
<b><u>Other Items of Income</u></b>						
Interest Income	170	216	(21)	324	427	(24)
Other Gains	-	33	NM	-	42	NM
<b><u>Other Items of Expense</u></b>						
Marketing and Distribution Costs	(143)	(67)	113	(205)	(184)	11
Administrative Expenses	(1,891)	(1,916)	(1)	(4,089)	(3,628)	13
Finance Costs	(2)	-	NM	(2)	-	NM
Other Losses	(80)	-	NM	(254)	(102)	149
<b>Profit Before Tax from Continuing Operations</b>	661	745	(11)	20	1,512	(99)
Income Tax Income	-	-	-	21	-	NM
<b>Profit Net of Tax</b>	661	745	(11)	41	1,512	(97)
Profit Attributable to Owners of the Parent, Net of Tax	699	727	(4)	138	1,473	(91)
(Loss)/Profit Attributable to Non-Controlling Interests, Net of Tax	(38)	18	NM	(97)	39	NM
	661	745	(11)	41	1,512	(97)
<b>Earnings Per Share</b>						
Basic (Cents)	0.20	0.21		0.04	0.43	
Diluted (Cents)	0.20	0.21		0.04	0.43	

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

	Group					
	2Q FY2017 S\$'000	2Q FY2016 S\$'000	% + / (-)	1H FY2017 S\$'000	1H FY2016 S\$'000	% + / (-)
Loss on disposal of plant and equipment	-	-	-	(11)	-	NM
Foreign exchange adjustment (loss)/gain	(80)	6	NM	(243)	(102)	138
Write-back of doubtful debts and bad debts	-	27	NM	-	42	NM
Depreciation expenses	(549)	(111)	395	(1,099)	(222)	395

NM : Not meaningful

# ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

- 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 FY2017 S\$'000	2Q FY2016 S\$'000	% + / (-)	1H FY2017 S\$'000	1H FY2016 S\$'000	% + / (-)
<b>Profit Net of Tax</b>	661	745	(11)	41	1,512	(97)
<b>Other Comprehensive Income</b>	-	-		-	-	
<b>Total Comprehensive Income for the Period</b>	661	745	(11)	41	1,512	(97)
Total Comprehensive Income Attributable to Owners of the Parent	699	727	(4)	138	1,473	(91)
Total Comprehensive (Loss)/Income Attributable to Non-Controlling Interests	(38)	18	NM	(97)	39	NM
<b>Total Comprehensive Income</b>	661	745	(11)	41	1,512	(97)

NM : Not meaningful

# ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

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 30/06/2017 S\$'000	As at 31/12/2016 S\$'000	As at 30/06/2017 S\$'000	As at 31/12/2016 S\$'000
<b>ASSETS</b>				
<b><u>Non-Current Assets</u></b>				
Property, Plant and Equipment	23,752	23,404	-	-
Investment Property	497	506	-	-
Investments in Subsidiaries	-	-	43,530	43,530
Other Asset	50	50	-	-
<b>Total Non-Current Assets</b>	<b>24,299</b>	<b>23,960</b>	<b>43,530</b>	<b>43,530</b>
<b><u>Current Assets</u></b>				
Inventories	15,828	12,824	-	-
Trade and Other Receivables	5,363	5,845	16,009	17,017
Other Financial Assets	12	12	-	-
Cash and Cash Equivalents	55,196	60,470	2,949	2,942
<b>Total Current Assets</b>	<b>76,399</b>	<b>79,151</b>	<b>18,958</b>	<b>19,959</b>
<b>Total Assets</b>	<b>100,698</b>	<b>103,111</b>	<b>62,488</b>	<b>63,489</b>
<b>EQUITY AND LIABILITIES</b>				
<b><u>Equity Attributable to Owners of the Parent</u></b>				
Share Capital	58,856	58,856	58,856	58,856
Treasury Shares	(138)	(138)	(138)	(138)
Retained Earnings	33,012	33,897	3,655	4,536
Capital Reserve	575	575	-	-
<b>Equity, Attributable to Owners of the Parent</b>	<b>92,305</b>	<b>93,190</b>	<b>62,373</b>	<b>63,254</b>
Non-Controlling Interests	5,550	5,767	-	-
<b>Total Equity</b>	<b>97,855</b>	<b>98,957</b>	<b>62,373</b>	<b>63,254</b>
<b><u>Non-Current Liabilities</u></b>				
Deferred Tax Liabilities	742	742	-	-
<b>Total Non-Current Liabilities</b>	<b>742</b>	<b>742</b>	<b>-</b>	<b>-</b>
<b><u>Current Liabilities</u></b>				
Income Tax Payable	4	8	4	8
Trade and Other Payables	2,097	3,404	111	227
<b>Total Current Liabilities</b>	<b>2,101</b>	<b>3,412</b>	<b>115</b>	<b>235</b>
<b>Total Liabilities</b>	<b>2,843</b>	<b>4,154</b>	<b>115</b>	<b>235</b>
<b>Total Equity and Liabilities</b>	<b>100,698</b>	<b>103,111</b>	<b>62,488</b>	<b>63,489</b>

## ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

### 1(b)(ii) Aggregate amount of group's borrowings and debt securities

#### Amount repayable in one year or less, or on demand

As at 30/06/2017 S\$'000		As at 31/12/2016 S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

#### Amount repayable after one year

As at 30/06/2017 S\$'000		As at 31/12/2016 S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

#### Details of any collateral

Not applicable.

# ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

- 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 FY2017 S\$'000	2Q FY2016 S\$'000	1H FY2017 S\$'000	1H FY2016 S\$'000
<b><u>Cash Flows from Operating Activities</u></b>				
Profit Before Tax	661	745	20	1,512
Adjustments for:				
Depreciation of Investment Property	4	5	9	10
Depreciation of Property, Plant and Equipment	545	106	1,090	212
Interest Income	(170)	(216)	(324)	(427)
Interest Expense	2	-	2	-
Loss on Disposal of Plant and Equipment	-	-	11	-
Operating Cash Flows Before Changes in Working Capital	1,042	640	808	1,307
Inventories	(4,206)	661	(3,004)	3,531
Trade and Other Receivables	(809)	2,287	482	(600)
Trade and Other Payables	(264)	1,691	(1,307)	1,729
Net Cash Flows From Operations Before Interest and Tax	(4,237)	5,279	(3,021)	5,967
Income Taxes Paid	(4)	(4)	17	(6)
Net Cash Flows (Used in)/From Operating Activities	(4,241)	5,275	(3,004)	5,961
<b><u>Cash Flows from Investing Activities</u></b>				
Disposal of Other Financial Assets	-	1,007	-	1,007
Disposal of Plant and Equipment	-	-	51	-
Purchase of Property, Plant and Equipment	(3)	(4,501)	(1,500)	(5,847)
Interest Received	170	216	324	427
Net Cash Flows From/(Used in) Investing Activities	167	(3,278)	(1,125)	(4,413)
<b><u>Cash Flows from Financing Activities</u></b>				
Dividends Paid to Equity Owners	(1,023)	(1,710)	(1,023)	(1,710)
Dividends Paid by A Subsidiary to Non-Controlling Interests	(120)	(160)	(120)	(160)
Other Financial Liabilities	(57)	-	-	-
Interest Paid	(2)	-	(2)	-
Net Cash Flows Used in Financing Activities	(1,202)	(1,870)	(1,145)	(1,870)
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	(5,276)	127	(5,274)	(322)
Cash and Cash Equivalents, Beginning Balance	60,472	67,923	60,470	68,372
<b>Cash and Cash Equivalents, Ending Balance</b>	55,196	68,050	55,196	68,050

# ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

- 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

Group (\$'000)	Attributable to						Non-Controlling Interests
	Total Equity	Parent Sub-Total	Share Capital	Treasury Shares	Capital Reserve	Retained Earnings	
Opening Balance at 1 January 2017	98,957	93,190	58,856	(138)	575	33,897	5,767
Total Comprehensive Income/(Loss) for the Period ended 30 June 2017	41	138	-	-	-	138	(97)
Dividends paid	(1,143)	(1,023)	-	-	-	(1,023)	(120)
Closing Balance at 30 June 2017	97,855	92,305	58,856	(138)	575	33,012	5,550
(a)							
Opening Balance at 1 January 2016	98,582	92,703	58,856	-	575	33,272	5,879
Total Comprehensive Income for the Period ended 30 June 2016	1,512	1,473	-	-	-	1,473	39
Dividends paid	(1,870)	(1,710)	-	-	-	(1,710)	(160)
Closing Balance at 30 June 2016	98,224	92,466	58,856	-	575	33,035	5,758
(a)							

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

Company (\$'000)	Total Equity	Share Capital	Treasury Shares	Retained Earnings
Opening Balance at 1 January 2017	63,254	58,856	(138)	4,536
Total Comprehensive Income for the Period ended 30 June 2017	142	-	-	142
Dividends paid	(1,023)	-	-	(1,023)
Closing Balance at 30 June 2017	62,373	58,856	(138)	3,655
Opening Balance at 1 January 2016	63,956	58,856	-	5,100
Total Comprehensive Income for the Period ended 30 June 2016	201	-	-	201
Dividends paid	(1,710)	-	-	(1,710)
Closing Balance at 30 June 2016	62,447	58,856	-	3,591

- 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 2017. (30 June 2016 : Nil)

# ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

**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**

	Number of shares	
	As at 30/06/2017	As at 31/12/2016
Total number of issued shares	341,917,487	341,917,487
Treasury shares	788,600	788,600
Total number of issued shares excluding treasury shares	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 2017. 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**

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 2016.

**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			
	2Q FY2017	2Q FY2016	1H FY2017	1H FY2016
Earnings per ordinary share for the period based on net profit attributable to shareholders				
(a) Based on the weighted average number of ordinary shares in issue	0.20 cents	0.21 cents	0.04 cents	0.43 cents
Weighted average number of ordinary shares in issue (excluding treasury shares)	341,128,887	341,917,487	341,128,887	341,917,487
(b) On a fully diluted basis	0.20 cents	0.21 cents	0.04 cents	0.43 cents
Weighted average number of ordinary shares in issue (excluding treasury shares)	341,128,887	341,917,487	341,128,887	341,917,487

# ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

- 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 30/06/2017	As at 31/12/2016	As at 30/06/2017	As at 31/12/2016
Net asset value per ordinary share (cents) *	27.06	27.32	18.28	18.54

\* Based on the total number of issued shares (excluding 788,600 treasury shares) of 341,128,887 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 reported on

## Review of the Steel Industry

Based on data released by World Steel Association (worldsteel), global crude steel production in the first half of 2017 increased 4.5% to 836.0 million tonnes (Mt) compared to the same period in 2016 due to higher production in the major steel producing regions.

China, which is the world's largest steel producer, recorded a 4.4% increase in output to 419.7 Mt during the six-month period. With China's economy expanding at a faster-than-expected 6.9% in the second quarter, the country's larger steel mills have been ramping up output as moves by the Chinese government to shut down the small mills have led to a shortage of some products.

A recent forecast by global investment bank Morgan Stanley estimates that global crude steel production will increase 3% this year to 1.65 billion Mt, and to rise another 1% to 1.67 billion Mt in 2018. Morgan Stanley also expects global steel demand to grow 3% this year to 1.6 billion Mt followed by a 1% increase to 1.62 billion Mt in 2018. Its forecasts exceed the latest Short Range Outlook by worldsteel in April for global steel demand to increase 1.3% to 1.53 Mt in 2017 and 0.9% to 1.55 Mt in 2018.

Steel consultancy MEPS has projected international steel prices to remain on a negative trend for the remainder of 2017 as weakening demand conditions and falling expenditure of raw materials are likely to put further downward pressure on world steel values in the near term.

(Sources: World Steel Association; Bloomberg, "China just made the most steel ever as Trump gets set to act" published on 17 July 2017; Platts, "Global steel demand to grow 3% this year: Morgan Stanley" published on 27 June 2017; MEPS, "The MEPS Global All Products Composite Steel Price Continues to Slip" published on 27 June 2017)

## Review of Statement of Comprehensive Income

While the Group witnessed a pick-up in restocking of steel materials from end-users during the second quarter ended 30 June 2017 ("2Q17") compared to 1Q17, the general business sentiment remains cautious as end-user demand is still slow and uneven. Group revenue in 2Q17 increased 14% compared to 2Q16 primarily on the back of higher average selling prices. The Group posted a stable net profit of S\$0.7 million in 2Q17 despite incurring higher depreciation expenses following the completion of a warehouse development.

The Group maintained a sound financial position at the end of June 2017 with cash and cash equivalents of S\$55.2 million and zero borrowings. Its net asset value per share of 27.06 cents as at 30 June 2017 includes cash and cash equivalents of 16.18 cents per share and inventory with book value of 4.64 cents per share.

## Revenue

Revenue (\$ m)	1Q	2Q	1H	3Q	4Q	Full Year
FY2017	5.2	9.7	14.9	-	-	-
FY2016	9.7	8.5	18.2	6.4	6.3	30.9
y-o-y change	(46%)	14%	(18%)	-	-	-

The Group's revenue increased 14% year-on-year to S\$9.7 million in 2Q17. This was lifted mainly by higher average selling prices (ASP) in 2Q17 compared to 2Q16.

On a quarter-on-quarter basis, the Group recorded an 85% increase in revenue from S\$5.2 million in 1Q17. The increase was attributed mainly to higher purchases of steel materials from customers in the marine and offshore, as well as the construction sectors.

For the first half ended 30 June 2017 ("1H17"), the Group posted an 18% decrease in revenue to S\$14.9 million from S\$18.2 million in 1H16 due mainly to sluggish sales orders during 1Q17.



# ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

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 (\$\$ m)	FY2017	1.6	2.6	4.3	-	-	-
	FY2016	2.5	2.5	5.0	1.6	1.6	8.1
Gross Profit Margin	FY2017	31.4%	27.0%	28.5%	-	-	-
	FY2016	25.6%	29.1%	27.3%	24.9%	25.4%	26.4%

Gross profit in 2Q17 increased 5% year-on-year to S\$2.6 million from S\$2.5 million in 2Q16, resulting in a gross profit margin of 27.0% versus 29.1% in the same period last year. While ASP was higher in 2Q17 compared to 2Q16, the Group's weighted average cost of inventory sold has increased over the past 12 months due to higher inventory replenishment costs in tandem with the trend of international steel prices. For 1H17, the Group's gross profit margin was higher at 28.5% compared to 27.3% in 1H16 due mainly to higher ASP.

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 2Q17, the Group recorded other income of S\$170,000 compared to S\$249,000 in 2Q16 due to lower interest income.

## Marketing and Distribution Costs and Administrative Expenses

Marketing and distribution costs in 2Q17 increased to S\$143,000 from S\$67,000 in 2Q16 in tandem with the level of freight and handling services that were required for customers' orders. Administrative expenses for 2Q17 remained relatively stable at S\$1.9 million despite higher depreciation charges with effect from the start of the year following the completion of a warehouse redevelopment.

## Finance Costs and Other Losses

The Group incurred minimal finance costs of S\$2,000 in 2Q17. Other losses in 2Q17 amounted to S\$80,000 due to foreign exchange adjustment loss.

## 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 (\$\$ m)	FY2017	(0.6)	0.7	0.1	-	-	-
	FY2016	0.7	0.7	1.5	0.2	0.7	2.3
	y-o-y change	n.m.	(4%)	(91%)	-	-	-
Net Profit Margin	FY2017	n.m.	6.8%	0.3%	-	-	-
	FY2016	7.9%	8.8%	8.3%	2.4%	11.4%	7.7%

The Group recorded a stable net profit attributable to equity holders of S\$0.7 million in 2Q17 compared to 2Q16. However, due to the net loss in 1Q17, the Group posted a lower net profit of S\$138,000 for 1H17 compared to S\$1.5 million in 1H16. This was attributed mainly to the decrease in gross profit resulting from slower sales, as well as an increase of S\$0.9 million in depreciation charges.

## Review of Financial Position

### Statement of Financial Position as at 30 June 2017

As at 30 June 2017, the Group's shareholders' equity (excluding treasury shares) stood at S\$92.3 million, which translated to net asset value of 27.06 cents per share. The Group had cash and cash equivalents of S\$55.2 million with zero borrowings at the end of June 2017.

Property, plant and equipment increased slightly to S\$23.8 million from S\$23.4 million as at 31 December 2016 due to the redevelopment of one of the Group's warehouses.

Trade and other receivables decreased slightly to S\$5.4 million from S\$5.8 million at the end of December 2016.

Inventories (measured on a weighted average cost basis) as at 30 June 2017 increased to S\$15.8 million from S\$12.8 million at the end of December 2016, due to higher cost of inventory replenishment.

Trade and other payables decreased to S\$2.1 million from S\$3.4 million as at 31 December 2016 due mainly to settlement of other payables that were outstanding.

# ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

- 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)**

## **Statement of Cash Flows**

The Group used net cash in operating activities of S\$3.0 million during 1H17. This was due mainly to the increase in inventory and reduction of trade and other payables.

Net cash used in investing activities during 1H17 amounted to approximately S\$1.1 million, which was mainly for the redevelopment of the Group's warehouse. Net cash used in financing activities in 1H17 was S\$1.1 million due mainly to the payment of dividends with respect to FY2016. As a result of the above factors, the Group's cash and cash equivalents declined to S\$55.2 million as at 30 June 2017 compared to S\$60.5 million 31 December 2016.

- 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 4 May 2017.

- 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**

Cautious business sentiment is expected to prevail due to ongoing global economic uncertainties, continuing weakness in the offshore and marine sector and tight financing conditions which are affecting the outlook for new projects of steel end-users. As a result, steel demand is likely to remain uneven in the foreseeable future.

In view of the uncertainty in demand conditions, volatile international steel prices and intense industry competition, the operating environment for the Group is expected to remain challenging. Fluctuations in the exchange rate of the US dollar against the Singapore dollar could also affect the Group's cost of replenishing inventory.

With a sound financial position backed by cash of S\$55.2 million and no borrowings, the Group is well-positioned to withstand market uncertainties and capitalise on business opportunities when they arise. It will continue to closely engage its customers, keep abreast of market trends and adopt a flexible sales strategy in line with demand trends. In addition, the Group will continue to be financially prudent in its expenses and inventory procurement decisions, while staying vigilant on its credit exposure to safeguard its financial position.

- 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

## ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

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

No dividend has been declared/recommendeded for the period ended.

**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)

	<b>1H FY2017 S\$'000</b>	<b>1H FY2016 S\$'000</b>
Penta Transport Services	<u>118</u>	<u>76</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 2016.

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  
1 August 2017

# **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 2017 to be false or misleading.

On behalf of the Board of Directors

LEE CHOON BOK  
EXECUTIVE CHAIRMAN

LEE YIH CHYI  
MANAGING DIRECTOR