



ASIA ENTERPRISES HOLDING LIMITED

ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

Unaudited Full Year Financial Statement and Dividend Announcement for the Year ended 31 December 2014

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 FY2014 S\$'000	4Q FY2013 S\$'000	% + / (-)	Year Ended 31/12/2014 S\$'000	Year Ended 31/12/2013 S\$'000	% + / (-)
Revenue	8,249	22,995	(64)	65,072	115,119	(43)
Cost of Sales	(7,014)	(20,451)	(66)	(56,482)	(102,672)	(45)
Gross Profit	1,235	2,544	(51)	8,590	12,447	(31)
<u>Other Items of Income</u>						
Interest Income	118	65	82	334	241	39
Other Credits	682	145	NM	1,169	440	NM
<u>Other Items of Expense</u>						
Marketing and Distribution Costs	(72)	(319)	(77)	(860)	(1,134)	(24)
Administrative Expenses	(1,230)	(1,478)	(17)	(6,584)	(6,534)	1
Finance Costs	(1)	-	NM	(2)	(1)	100
Other Charges	(541)	(536)	1	(541)	(917)	(41)
Profit Before Tax from Continuing Operations	191	421	(55)	2,106	4,542	(54)
Income Tax Credit/(Expense)	194	(10)	NM	(122)	(809)	(85)
Profit Net of Tax	385	411	(6)	1,984	3,733	(47)
Profit Attributable to Owners of the Parent, Net of Tax	379	378	0	1,910	3,728	(49)
Profit Attributable to Non-Controlling Interests, Net of Tax	6	33	(82)	74	5	NM
	385	411	(6)	1,984	3,733	(47)
Earnings Per Share						
Basic (Cents)	0.11	0.11		0.56	1.09	
Diluted (Cents)	0.11	0.11		0.56	1.09	

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

	Group					
	4Q FY2014 S\$'000	4Q FY2013 S\$'000	% + / (-)	Year Ended 31/12/2014 S\$'000	Year Ended 31/12/2013 S\$'000	% + / (-)
Gain on disposal of plant and equipment	-	9	NM	16	11	45
Write-back/(Write-off) of doubtful debts and bad debts	310	(30)	NM	644	(411)	NM
Foreign exchange adjustment gain	371	135	NM	508	428	19
Fair value losses on derivatives	(278)	-	NM	(278)	-	NM
Dividend income	1	1	-	1	1	-
Inventory written down	(263)	(506)	(48)	(263)	(506)	(48)
Depreciation expenses	(113)	(110)	3	(428)	(431)	(1)

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 FY2014 S\$'000	4Q FY2013 S\$'000	% +/-	Year Ended 31/12/2014 S\$'000	Year Ended 31/12/2013 S\$'000	% +/-
Profit Net of Tax	385	411	(6)	1,984	3,733	(47)
Other Comprehensive Income	-	-		-	-	
Total Comprehensive Income for the Period	385	411	(6)	1,984	3,733	(47)
Total Comprehensive Income Attributable to Owners of the Parent	379	378	0	1,910	3,728	(49)
Total Comprehensive Income Attributable to Non-Controlling Interests	6	33	(82)	74	5	NM
Total Comprehensive Income	385	411	(6)	1,984	3,733	(47)

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 31/12/2014 S\$'000	As at 31/12/2013 S\$'000	As at 31/12/2014 S\$'000	As at 31/12/2013 S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	6,186	6,101	-	-
Investment Property	545	565	-	-
Investments in Subsidiaries	-	-	43,530	43,530
Other Assets	100	100	-	-
Total Non-Current Assets	6,831	6,766	43,530	43,530
<u>Current Assets</u>				
Inventories	38,850	46,990	-	-
Trade and Other Receivables	7,421	19,138	21,909	19,151
Other Financial Assets	1,033	12	-	-
Cash and Cash Equivalents	66,958	47,702	2,172	2,357
Total Current Assets	114,262	113,842	24,081	21,508
Total Assets	121,093	120,608	67,611	65,038
EQUITY AND LIABILITIES				
<u>Equity Attributable to Owners of the Parent</u>				
Share Capital	58,856	58,856	58,856	58,856
Retained Earnings	50,481	50,280	8,521	5,961
Other Reserves	575	575	-	-
Equity, Attributable to Owners of the Parent	109,912	109,711	67,377	64,817
Non-Controlling Interests	6,333	6,339	-	-
Total Equity	116,245	116,050	67,377	64,817
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	688	643	-	-
Total Non-Current Liabilities	688	643	-	-
<u>Current Liabilities</u>				
Income Tax Payable	324	734	10	9
Trade and Other Payables	2,868	3,181	224	212
Other Financial Liabilities	968	-	-	-
Total Current Liabilities	4,160	3,915	234	221
Total Liabilities	4,848	4,558	234	221
Total Equity and Liabilities	121,093	120,608	67,611	65,038

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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 31/12/2014 S\$'000		As at 31/12/2013 S\$'000	
Secured	Unsecured	Secured	Unsecured
-	690	-	-

Amount repayable after one year

As at 31/12/2014 S\$'000		As at 31/12/2013 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 FY2014 S\$'000	4Q FY2013 S\$'000	Year Ended 31/12/2014 S\$'000	Year Ended 31/12/2013 S\$'000
<u>Cash Flows from Operating Activities</u>				
Profit Before Tax	191	421	2,106	4,542
Adjustments for:				
Depreciation of Investment Property	5	5	20	19
Depreciation of Property, Plant and Equipment	108	105	408	412
Interest Income	(118)	(65)	(334)	(241)
Interest Expense	1	-	2	1
Gain on Disposal of Plant and Equipment	-	(9)	(16)	(11)
Fair Value Losses on Derivatives	278	-	278	-
Operating Cash Flows Before Changes in Working Capital	465	457	2,464	4,722
Inventories	1,892	3,632	8,140	9,930
Trade and Other Receivables	7,521	2,476	11,717	2,273
Trade and Other Payables	(590)	(95)	(313)	(5,650)
Net Cash Flows From Operations Before Interest and Tax	9,288	6,470	22,008	11,275
Income Taxes Paid	(60)	(47)	(487)	(492)
Net Cash Flows From Operating Activities	9,228	6,423	21,521	10,783
<u>Cash Flows from Investing Activities</u>				
Purchase of Financial Assets	7	-	(1,021)	-
Disposal of Plant and Equipment	-	9	16	11
Purchase of Plant and Equipment	(88)	-	(493)	(110)
Interest Received	118	65	334	241
Net Cash Flows From/(Used in) Investing Activities	37	74	(1,164)	142
<u>Cash Flows from Financing Activities</u>				
Dividends Paid to Equity Owners	-	-	(1,709)	(3,419)
Dividends Paid to Non-Controlling Interests	-	-	(80)	-
Other Financial Liabilities	690	-	690	-
Interest Paid	(1)	-	(2)	(1)
Net Cash Flows From/(Used in) Financing Activities	689	-	(1,101)	(3,420)
Net Increase in Cash and Cash Equivalents	9,954	6,497	19,256	7,505
Cash and Cash Equivalents, Beginning Balance	57,004	41,205	47,702	40,197
Cash and Cash Equivalents, Ending Balance	66,958	47,702	66,958	47,702

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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	Other Reserves	Retained Earnings	
Group (S\$'000)						
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)		
Opening Balance at 1 January 2013	115,736	109,402	58,856	575	49,971	6,334
Total Comprehensive Income for the Year ended 31 December 2013	3,733	3,728	-	-	3,728	5
Dividends paid	(3,419)	(3,419)	-	-	(3,419)	-
Closing Balance at 31 December 2013	116,050	109,711	58,856	575	50,280	6,339
				(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 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
Opening Balance at 1 January 2013	66,803	58,856	7,947
Total Comprehensive Income for the Year ended 31 December 2013	1,433	-	1,433
Dividends paid	(3,419)	-	(3,419)
Closing Balance at 31 December 2013	64,817	58,856	5,961

- 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 2014	341,917,487
As at 31 December 2013	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 2014.

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 2013.

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 FY2014	4Q FY2013	Year Ended 31/12/2014	Year Ended 31/12/2013
Earnings per ordinary share for the period based on net profit attributable to shareholders				
(a) Based on 341,917,487 ordinary shares	0.11 cents	0.11 cents	0.56 cents	1.09 cents
(b) On a fully diluted basis	0.11 cents	0.11 cents	0.56 cents	1.09 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 31/12/2014	As at 31/12/2013	As at 31/12/2014	As at 31/12/2013
Net asset value per ordinary share (cents) *	32.15	32.09	19.71	18.96

* 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

According to the World Steel Association, global crude steel production amounted to 1,662 million tonnes (Mt) for the year ended 31 December 2014, an increase of 1.2% from 2013.

China increased its output by 0.9% to 822.7 Mt in 2014 and remained as the largest steel producer with a 49.5% share of world crude steel production. However, China's apparent crude steel consumption fell for the first time in three decades in 2014 due to softening domestic demand caused by slow manufacturing growth.

According to calculations published by the China Iron and Steel Association (CISA), apparent crude steel consumption fell 3.4% to 738.3 million tonnes in 2014. Consequently, additional production was diverted to the export market which has weighed on global prices of steel as well as iron ore. According to CISA, Chinese exports of crude steel increased 64.5% to the equivalent of 84.4 million tonnes in 2014.

During 2014, the MEPS Global Composite Steel Price has declined by 11.3% and reached a five year low in December 2014.

(Sources: World Steel Association, MEPS, Reuters, "China's annual steel consumption drops for first time in three decades", 22 January 2015)

Review of Statement of Comprehensive Income

During the three months ended 31 December 2014 ("4Q14"), demand for steel products continued to languish as the business climate became more cautious in a seasonally slow quarter. Consequently, the Group's revenue declined significantly in 4Q14. However, the Group attained a higher gross profit margin and remained profitable in 4Q14.

The Group witnessed depressed market demand for steel products in its customer segments since the start of 2014. The slump in oil prices during the second half of the year also cast uncertainty on future business orders of certain steel end-user industries such as oil & gas and shipbuilding. Given this backdrop, the Group experienced a contraction in order volumes, which led to lower revenue and profit for the year ended 31 December 2014 ("FY2014").

Notwithstanding this, the Group is proposing a higher dividend payment of 1.5 cents per share (comprising final and special dividends) with respect to FY2014, to reward shareholders for their continued support of Asia Enterprises.

As at 31 December 2014, the Group's financial position remained robust with cash and cash equivalents of S\$67.0 million and minimal borrowings. Net asset value per share stood at 32.15 cents. On a per share basis, cash and cash equivalents translated to 19.58 cents while the Group's inventory of steel products translated to 11.36 cents.

Revenue

Revenue (S\$ m)	1Q	2Q	3Q	4Q	Full Year
FY2014	21.9	21.7	13.2	8.3	65.1
FY2013	40.3	32.2	19.7	23.0	115.1
y-o-y change	(46%)	(33%)	(33%)	(64%)	(43%)

The Group recorded a 64% decline in revenue to S\$8.3 million in 4Q14 compared to S\$23.0 million in 4Q13 as demand from end-users across the marine and offshore, engineering/fabrication and construction market segments stayed lacklustre.

As a result of weaker demand for steel products during 2014 especially in the marine and offshore segment, Group revenue for FY2014 fell 43% to S\$65.1 million compared to S\$115.1 million last year.

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- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (cont'd)

Revenue Breakdown by Industry

Industry	FY2014		FY2013		y-o-y
	(S\$ m)	%	(S\$ m)	%	%
Marine and Offshore	32.4	50	76.8	67	(58)
Engineering/fabrication	14.5	22	16.1	14	(10)
Construction	5.7	9	7.7	7	(26)
Stockists and traders	7.7	12	9.5	8	(19)
Manufacturing, precision metal stamping & Others	4.8	7	5.0	4	(4)
Total	65.1	100	115.1	100	(43)

Revenue for FY2014 decreased by S\$50.0 million, attributable largely to reduced sales to the marine and offshore segment. Sales to marine and offshore customers declined by 58% in FY2014 as newbuilding activities at shipyards remained slow. The sluggish conditions were further exacerbated by the plunge in prices of oil and other commodities during 4Q14, leading to a contraction in customer orders for steel products and higher market competition.

Sales to engineering/fabrication customers in FY2014 eased to S\$14.5 million, a decline of S\$1.6 million from FY2013 as a result of slower orders in the second half of the financial year. Demand for structural steel products from customers in the construction segment was also lower in FY2014 as compared to FY2013.

Revenue Breakdown by Geographical Market

Countries	FY2014		FY2013		y-o-y
	(S\$ m)	%	(S\$ m)	%	%
Singapore	31.6	48	36.2	31	(13)
Indonesia	25.4	39	71.3	62	(64)
Malaysia	5.0	8	4.3	4	16
Others	3.1	5	3.3	3	(6)
Total	65.1	100	115.1	100	(43)

N.B. Revenue breakdown is based on shipment destination

The Indonesia market witnessed the largest decline in sales to S\$25.4 million in FY2014, a decrease of S\$45.9 million from FY2013. This was attributed mainly to reduced orders from shipyards. Sales to Singapore market decreased by 13% to S\$31.6 million as a result of lower sales contributions from the construction and engineering/fabrication segments.

Gross Profit and Gross Profit Margin

		1Q	2Q	3Q	4Q	Full Year
Gross Profit (S\$ m)	FY2014	3.0	2.8	1.6	1.2	8.6
	FY2013	4.0	3.6	2.3	2.5	12.4
Gross Profit Margin	FY2014	13.7%	12.9%	11.9%	15.0%	13.2%
	FY2013	9.8%	11.2%	11.9%	11.1%	10.8%

While gross profit decreased to S\$1.2 million in 4Q14 as compared to S\$2.5 million in 4Q13, the rate of decline was slower than revenue. As a result, gross profit margin expanded to 15.0% in 4Q14 which is attributed mainly to a change in sales mix.

For FY2014, gross profit decreased 31% to S\$8.6 million due to lower sales generated during the year. However, the Group achieved higher gross profit margin of 13.2% in FY2014 due to a change in sales mix.

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 period reported on (cont'd)

Other Items of Income

In 4Q14, the Group recorded higher other income of S\$0.8 million which comprised interest income, foreign exchange gain and write-back of doubtful and bad debts. For FY2014, other income increased to S\$1.5 million compared to S\$0.7 million a year ago due to higher interest income, an increase in foreign exchange gain, as well as a write-back of doubtful and bad debts.

Marketing and Distribution Costs and Administrative Expenses

Marketing and distribution costs in 4Q14 fell to S\$72,000 from S\$0.3 million previously, in tandem with the lower level of freight and handling services that were required for customers' orders. Administrative expenses also decreased to S\$1.2 million from S\$1.5 million due mainly to lower provision for staff bonus.

For FY2014, marketing and distribution costs decreased 24% to S\$0.9 million, which corresponds with the lower volume of business during the year. Administrative expenses remained stable at S\$6.6 million compared to S\$6.5 million in FY2013.

Finance Costs and other charges

The Group recorded minimal interest expenses of S\$1,000 in 4Q14 and S\$2,000 in FY2014. Other charges in 4Q14 amounted to S\$0.5 million, due mainly to fair value losses on derivatives (forward and option currency contracts) and inventory write-down.

Other charges in FY2014 decreased 41% to S\$0.5 million from S\$0.9 million previously due primarily to a write-off of doubtful and bad debts in FY2013 and lower inventory write-down.

Net Profit and Net Profit Margin

		1Q	2Q	3Q	4Q	Full Year
Net Profit (S\$ m)	FY2014	0.6	0.7	0.2	0.4	2.0
	FY2013	1.7	1.3	0.4	0.4	3.7
	y-o-y change	(62%)	(45%)	(30%)	(6%)	(47%)
Net Profit Margin	FY2014	2.8%	3.4%	1.9%	4.7%	3.0%
	FY2013	4.1%	4.1%	1.8%	1.8%	3.2%

The Group's net profit in 4Q14 remained stable compared to a year ago at S\$0.4 million. For FY2014, net profit declined 47% to S\$2.0 million from S\$3.7 million in FY2013, due primarily to the substantial contraction in revenue owing to the deterioration in demand conditions since the start of the year. This impact was partially mitigated by higher gross profit margin and other income achieved in FY2014, as well as the reversal of overprovision for previous years' income tax expenses.

Dividend

The Board of Directors has recommended a final dividend payment of 0.25 cents per share with respect to FY2014. The proposed final dividend payment represents at least 40% of the Group's earnings in FY2014, a payout ratio that has been consistent in the past 10 years.

To reward shareholders for their continuous support of Asia Enterprises, the Board of Directors is also pleased to propose the payment of a special dividend of 1.25 cents per share, bringing the total proposed dividends for FY2014 to 1.5 cents per share. The proposed dividends are subject to shareholder's approval at the Company's annual general meeting.

Review of Financial Position

Statement of Financial Position as at 31 December 2014

As at 31 December 2014, the Group's shareholders' equity stood at S\$109.9 million, compared to S\$109.7 million as at 31 December 2013. This translated to net asset value of 32.15 cents per share at the end of December 2014. Cash and cash equivalents increased to S\$67.0 million at the end of December 2014, compared to S\$47.7 million at the end of December 2013.

Trade and other receivables at the end of December 2014 reduced to S\$7.4 million, compared to S\$19.1 million at the end of December 2013, in line with lower sales. Debtor turnover (annualised) in FY2014 shortened to 42 days compared to 61 days for FY2013.

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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)

Inventories (measured on a weighted average cost basis) as at 31 December 2014 decreased to S\$38.9 million compared to S\$47.0 million as at 31 December 2013, as the Group continued to align its stock of steel products to prevailing market conditions. Other financial assets increased to S\$1.0 million at the end of December 2014 compared to S\$12,000 as at 31 December 2013, due to investment in a debt security.

Trade and other payables decreased to S\$2.9 million as at 31 December 2014 from S\$3.2 million previously, due mainly to lower credit purchases on credit terms. Other financial liabilities of S\$1.0 million at the end of FY2014 relate to unrealised fair value losses on derivatives (forward and option currency contracts) and trust receipts.

Statement of Cash Flows

Net cash generated from operating activities during FY2014 was S\$21.5 million, attributable mainly to operating profit recorded during the year and a reduction in working capital as a result of lower inventory and trade receivables. Net cash used for investing activities amounted to S\$1.2 million, primarily for the purchase of plant and equipment and investment in financial assets. The Group used net cash of S\$1.1 million for financing activities, mainly for the payment of dividends to equity owners with respect to FY2013. As a result, the Group's cash and cash equivalents increased by S\$19.3 million to S\$67.0 million at the end of December 2014.

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

Not applicable.

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.

Industry Outlook

According to a report by MEPS, steel prices in China fell significantly in January 2015 as orders were cut due to slowing manufacturing activity. A Reuters report also said CISA does not foresee any major improvements in China's steel market or recovery in steel prices in 2015 due to weak demand and excess supply.

In Singapore, the Building & Construction Authority (BCA) is expecting construction contracts for the built environment sector to reach between \$29 billion to \$36 billion in 2015, after total construction demand hit a new record of \$37.7 billion in 2014. Public sector projects are expected to account for an estimated 60% or \$18 billion to \$21 billion of total construction demand in 2015. The authority also anticipates average construction demand per annum to be sustained between \$27 billion to \$36 billion in 2016 and 2017, and \$26 billion to \$37 billion in 2018 and 2019, in view of mega public sector infrastructure projects required for Singapore's long-term needs and to maintain the economy's competitive advantage.

In its Short Range Outlook released in October 2014, World Steel Association (worldsteel) projected that global apparent steel use will grow by 2.0% to 1,594 Mt in 2015.

(Sources: MEPS, Reuters, "China's annual steel consumption drops for first time in three decades", 22 January 2015, Building & Construction Authority of Singapore, worldsteel Short Range Outlook, 6 October 2014)

Group Outlook

Business conditions continue to remain challenging. Demand for steel from the Group's primary markets is expected to stay depressed in the near term due to slow business activities of end-users. Coupled with ample inventory in the steel supply chain, competition within the steel distribution industry will remain intense.

In addition, the recent appreciation of the US dollar is likely to increase the cost of replenishing inventory. With its focus on profitability, the Group will focus on prudent management of its inventory purchases while ensuring that its stock level and mix of steel products are aligned to the project requirements of customers. The Group will also keep a close watch on operating expenses.

Backed by its sound financial standing, the Group is well positioned to withstand periods of slow business conditions and is also ready for market recovery and growth opportunities when these arise.

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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)	:	0.25 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)

(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)	:	0.5 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 31/12/2014 S\$'000	Year Ended 31/12/2013 S\$'000
Penta Transport Services	388	640

The value of IPT of the Group is well below 3% of the Group's latest net tangible assets as at 31 December 2014.

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 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					<u>2,106</u>
Income tax expense					(122)
Profit from continuing operations					<u>1,984</u>
Non-controlling interests					(74)
Profit attributable to owners of the parent					<u><u>1,910</u></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><u>121,093</u></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><u>4,848</u></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 2013	Steel Distribution \$'000	Provision of steel processing \$'000	Corporate \$'000	Unallocated \$'000	Total \$'000
Revenue by Segment					
Total revenue by segment	107,249	8,769	56	-	116,074
Inter-segment sales	(195)	(705)	(55)	-	(955)
Total revenue	<u>107,054</u>	<u>8,064</u>	<u>1</u>	<u>-</u>	<u>115,119</u>
Recurring EBITDA					
Depreciation	5,136	(61)	(353)	-	4,722
Interest income	(214)	(217)	-	-	(431)
Finance costs				241	241
ORBIT *	<u>4,922</u>	<u>(278)</u>	<u>(353)</u>	<u>240</u>	<u>4,531</u>
Other unallocated items					11
Profit before tax from continuing operations					<u>4,542</u>
Income tax expense					(809)
Profit from continuing operations					<u>3,733</u>
Non-controlling interests					(5)
Profit attributable to owners of the parent					<u>3,728</u>
Other Material Items and Reconciliations:-					
Expenditure for non-current assets	48	62	-	-	110
Depreciation expense	214	217	-	-	431
Impairment of trade receivables	30	381	-	-	411
Inventories written down	<u>480</u>	<u>26</u>	<u>-</u>	<u>-</u>	<u>506</u>
Assets and Reconciliations					
Total assets for reportable segments	<u>101,577</u>	<u>16,480</u>	<u>2,358</u>	<u>-</u>	120,415
Unallocated corporate assets					193
Total group assets					<u>120,608</u>
Liabilities and Reconciliations					
Total liabilities for reportable segments	<u>2,119</u>	<u>188</u>	<u>212</u>	<u>-</u>	2,519
Unallocated corporate liabilities:-					
Other payables					662
Income tax payable					734
Deferred tax liabilities					643
Total group liabilities					<u>4,558</u>
Information about major customers:-					
Top 1 customer	22,772	-	-		22,772
Top 2 customers	<u>33,876</u>	<u>-</u>	<u>-</u>		<u>33,876</u>

* 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
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>
	Revenue \$'000	Segment non-current assets \$'000	Segment assets \$'000	Capital expenditure \$'000
2013				
Singapore	48,821	6,766	111,595	110
Indonesia	59,109	-	8,576	-
Malaysia	4,276	-	437	-
Other regions	2,913	-	-	-
	<u>115,119</u>	<u>6,766</u>	<u>120,608</u>	<u>110</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 31/12/2014 S\$'000	Year ended 31/12/2013 S\$'000	Increase/ (Decrease) %
First Half			
Sales reported for first half year	<u>43,584</u>	<u>72,457</u>	(40)
Profit after tax and before minority interest for first half year	<u>1,354</u>	<u>2,972</u>	(54)
Second Half			
Sales reported for second half year	<u>21,488</u>	<u>42,662</u>	(50)
Profit after tax and before minority interest for second half year	<u>630</u>	<u>761</u>	(17)

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	5,129	1,709
Preference	-	-
Total	<u>5,129</u>	<u>1,709</u>

ASIA ENTERPRISES HOLDING LIMITED

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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	56	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	42	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

BY ORDER OF THE BOARD

Chew Kok Liang
Company Secretary
10 February 2015