



ASIA ENTERPRISES HOLDING LIMITED

ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

Unaudited Third Quarter Financial Statement for the Period ended 30 September 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					
	3Q FY2017 S\$'000	3Q FY2016 S\$'000	% +/-)	9M FY2017 S\$'000	9M FY2016 S\$'000	% +/-)
Revenue	9,411	6,364	48	24,297	24,549	(1)
Cost of Sales	(7,024)	(4,779)	47	(17,664)	(18,007)	(2)
Gross Profit	2,387	1,585	51	6,633	6,542	1
<u>Other Items of Income</u>						
Interest Income	150	205	(27)	474	632	(25)
Other Gains	57	41	39	46	75	(39)
<u>Other Items of Expense</u>						
Marketing and Distribution Costs	(52)	(120)	(57)	(257)	(304)	(15)
Administrative Expenses	(2,300)	(1,559)	48	(6,389)	(5,187)	23
Finance Costs	-	-	-	(2)	-	NM
Other Losses	(81)	-	NM	(324)	(94)	245
Profit Before Tax from Continuing Operations	161	152	6	181	1,664	(89)
Income Tax Income	-	-	-	21	-	NM
Profit Net of Tax	161	152	6	202	1,664	(88)
Profit Attributable to Owners of the Parent, Net of Tax	291	172	69	429	1,645	(74)
(Loss)/Profit Attributable to Non-Controlling Interests, Net of Tax	(130)	(20)	550	(227)	19	NM
	161	152	6	202	1,664	(88)
Earnings Per Share						
Basic (Cents)	0.09	0.05		0.13	0.48	
Diluted (Cents)	0.09	0.05		0.13	0.48	

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

	Group					
	3Q FY2017 S\$'000	3Q FY2016 S\$'000	% +/-)	9M FY2017 S\$'000	9M FY2016 S\$'000	% +/-)
Gain on disposal of plant and equipment	57	25	128	46	25	84
Foreign exchange adjustment (loss)/gain	(81)	8	NM	(324)	(94)	245
Write-back of doubtful debts and bad debts	-	8	NM	-	50	NM
Depreciation expenses	(549)	(112)	390	(1,648)	(334)	393

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					
	3Q FY2017 S\$'000	3Q FY2016 S\$'000	% + / (-)	9M FY2017 S\$'000	9M FY2016 S\$'000	% + / (-)
Profit Net of Tax	161	152	6	202	1,664	(88)
Other Comprehensive Income	-	-		-	-	
Total Comprehensive Income for the Period	161	152	6	202	1,664	(88)
Total Comprehensive Income Attributable to Owners of the Parent	291	172	69	429	1,645	(74)
Total Comprehensive (Loss)/Income Attributable to Non-Controlling Interests	(130)	(20)	550	(227)	19	NM
Total Comprehensive Income	161	152	6	202	1,664	(88)

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 30/09/2017 S\$'000	As at 31/12/2016 S\$'000	As at 30/09/2017 S\$'000	As at 31/12/2016 S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	23,220	23,404	-	-
Investment Property	492	506	-	-
Investments in Subsidiaries	-	-	43,530	43,530
Other Asset	50	50	-	-
Total Non-Current Assets	23,762	23,960	43,530	43,530
<u>Current Assets</u>				
Inventories	12,950	12,824	-	-
Trade and Other Receivables	7,493	5,845	16,004	17,017
Other Financial Assets	1,047	12	256	-
Cash and Cash Equivalents	56,662	60,470	2,710	2,942
Total Current Assets	78,152	79,151	18,970	19,959
Total Assets	101,914	103,111	62,500	63,489
EQUITY AND LIABILITIES				
<u>Equity Attributable to Owners of the Parent</u>				
Share Capital	58,856	58,856	58,856	58,856
Treasury Shares	(138)	(138)	(138)	(138)
Retained Earnings	33,303	33,897	3,615	4,536
Capital Reserve	575	575	-	-
Equity, Attributable to Owners of the Parent	92,596	93,190	62,333	63,254
Non-Controlling Interests	5,420	5,767	-	-
Total Equity	98,016	98,957	62,333	63,254
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	742	742	-	-
Total Non-Current Liabilities	742	742	-	-
<u>Current Liabilities</u>				
Income Tax Payable	1	8	1	8
Trade and Other Payables	3,155	3,404	166	227
Total Current Liabilities	3,156	3,412	167	235
Total Liabilities	3,898	4,154	167	235
Total Equity and Liabilities	101,914	103,111	62,500	63,489

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 30/09/2017 S\$'000		As at 31/12/2016 S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30/09/2017 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			
	3Q FY2017 S\$'000	3Q FY2016 S\$'000	9M FY2017 S\$'000	9M FY2016 S\$'000
<u>Cash Flows from Operating Activities</u>				
Profit Before Tax	161	152	181	1,664
Adjustments for:				
Depreciation of Investment Property	5	5	14	15
Depreciation of Property, Plant and Equipment	544	107	1,634	319
Interest Income	(150)	(205)	(474)	(632)
Interest Expense	-	-	2	-
Gain on Disposal of Plant and Equipment	(57)	(25)	(46)	(25)
Operating Cash Flows Before Changes in Working Capital	503	34	1,311	1,341
Inventories	2,878	524	(126)	4,055
Trade and Other Receivables	(2,130)	140	(1,648)	(460)
Trade and Other Payables	1,058	833	(249)	2,562
Net Cash Flows From Operations Before Interest and Tax	2,309	1,531	(712)	7,498
Income Taxes Paid	(3)	(2)	14	(8)
Net Cash Flows From/(Used in) Operating Activities	2,306	1,529	(698)	7,490
<u>Cash Flows from Investing Activities</u>				
(Purchase)/Disposal of Other Financial Assets	(1,035)	-	(1,035)	1,007
Disposal of Plant and Equipment	60	54	111	54
Purchase of Property, Plant and Equipment	(15)	(5,719)	(1,515)	(11,566)
Interest Received	150	205	474	632
Net Cash Flows Used in Investing Activities	(840)	(5,460)	(1,965)	(9,873)
<u>Cash Flows from Financing Activities</u>				
Dividends Paid to Equity Owners	-	-	(1,023)	(1,710)
Dividends Paid by A Subsidiary to Non-Controlling Interests	-	-	(120)	(160)
Purchase of Treasury Shares	-	(83)	-	(83)
Interest Paid	-	-	(2)	-
Net Cash Flows Used in Financing Activities	-	(83)	(1,145)	(1,953)
Net Increase/(Decrease) in Cash and Cash Equivalents	1,466	(4,014)	(3,808)	(4,336)
Cash and Cash Equivalents, Beginning Balance	55,196	68,050	60,470	68,372
Cash and Cash Equivalents, Ending Balance	56,662	64,036	56,662	64,036

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

	Attributable to						Non-Controlling Interests
	Total Equity	Parent Sub-Total	Share Capital	Treasury Shares	Capital Reserve	Retained Earnings	
Group (S\$'000)							
Opening Balance at 1 January 2017	98,957	93,190	58,856	(138)	575	33,897	5,767
Total Comprehensive Income/(Loss) for the Period ended 30 September 2017	202	429	-	-	-	429	(227)
Dividends paid	(1,143)	(1,023)	-	-	-	(1,023)	(120)
Closing Balance at 30 September 2017	98,016	92,596	58,856	(138)	575	33,303	5,420
	(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 September 2016	1,664	1,645	-	-	-	1,645	19
Purchase of Treasury Shares	(83)	(83)	-	(83)	-	-	-
Dividends paid	(1,870)	(1,710)	-	-	-	(1,710)	(160)
Closing Balance at 30 September 2016	98,293	92,555	58,856	(83)	575	33,207	5,738
	(a)						

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

	Total Equity	Share Capital	Treasury Shares	Retained Earnings
Company (S\$'000)				
Opening Balance at 1 January 2017	63,254	58,856	(138)	4,536
Total Comprehensive Income for the Period ended 30 September 2017	102	-	-	102
Dividends paid	(1,023)	-	-	(1,023)
Closing Balance at 30 September 2017	62,333	58,856	(138)	3,615
Opening Balance at 1 January 2016	63,956	58,856	-	5,100
Total Comprehensive Income for the Period ended 30 September 2016	163	-	-	163
Purchase of Treasury Shares	(83)	-	(83)	-
Dividends paid	(1,710)	-	-	(1,710)
Closing Balance at 30 September 2016	62,326	58,856	(83)	3,553

- 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 September 2017. (30 September 2016 : 473,600)

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 30/09/2017	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 September 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			
	3Q FY2017	3Q FY2016	9M FY2017	9M 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	0.09 cents	0.05 cents	0.13 cents	0.48 cents
Weighted average number of ordinary shares in issue (excluding treasury shares)	341,128,887	341,874,001	341,128,887	341,874,001
(b) On a fully diluted basis	0.09 cents	0.05 cents	0.13 cents	0.48 cents
Weighted average number of ordinary shares in issue (excluding treasury shares)	341,128,887	341,874,001	341,128,887	341,874,001

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 30/09/2017	As at 31/12/2016	As at 30/09/2017	As at 31/12/2016
Net asset value per ordinary share (cents) *	27.14	27.32	18.27	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 period reported on**

Review of the Steel Industry

Based on data released by World Steel Association (worldsteel), global crude steel production grew by 5.6% to 1,266.9 million tonnes (Mt) in the first nine months of 2017, compared to the same period in 2016. Crude steel production in Asia increased 5.9% to 876.3 Mt and accounted for 69% of global output, driven mainly by higher production in China, the world's largest steel producer, during the nine-month period.

While global crude steel production in September 2017 increased 5.6% year-on-year to 141.4 Mt, this represented a drop of 2.3% on a month-on-month basis and was its lowest monthly output since February 2017. Reuters reported this was due to mills in China cutting production as Beijing intensified its campaign for clearer skies. Official figures show China has cut 110 Mt of legal steel capacity and 120 Mt of illegal capacity since the start of 2016, which is translating into lower production.

According to consultants MEPS, global steel prices have been on an upward trend since July 2017 with its global all products steel price in October 2017 reaching its highest level since September 2014. MEPS said steelmakers announced a series of price increases during the third quarter of 2017 as Asian and European steel buyers appeared to offer little resistance due to a shortage of competitively priced third country imports, notably from China.

(Sources: World Steel Association; Reuters, "Global steel output lowest since Feb as China smog war intensifies" published on 23 October 2017; MEPS, "The MEPS Global Steel Price Reaches Three-Year High" published on 9 October 2017)

Review of Statement of Comprehensive Income

For the third quarter ended 30 September 2017 ("3Q17"), the Group delivered higher revenue and net profit attributable to shareholders from the year-ago period as it benefited from the increase in international steel prices, coupled with moderately higher steel material purchases from certain end-user segments.

Despite higher inventory replenishment costs, the Group recorded better gross profit margin in 3Q17. Net profit attributable to equity holders ("PATMI") in 3Q17 edged up to S\$0.3 million in 3Q17 compared to S\$0.2 million in 3Q16 despite an increase in depreciation expenses by S\$0.4 million which resulted from the redevelopment of a warehouse towards the end of FY2016.

For the nine months ended 30 September 2017 ("9M17"), Group revenue was stable but PATMI declined by S\$1.2 million to S\$0.4 million due to the increase in depreciation expenses. However, PATMI before interest, tax and depreciation ("EBITDA") was higher at S\$1.6 million for 9M17 compared to S\$1.3 million in 9M16.

The Group maintained a sound financial position at the end of September 2017 with cash and cash equivalents of S\$56.7 million and zero borrowings. Its net asset value per share of 27.14 cents as at 30 September 2017 includes cash and cash equivalents of 16.61 cents per share and inventory with book value of 3.80 cents per share.

Revenue

Revenue (\$\$ m)	1Q	2Q	3Q	9M	4Q	Full Year
FY2017	5.2	9.7	9.4	24.3	-	-
FY2016	9.7	8.5	6.4	24.5	6.3	30.9
y-o-y change	(46%)	14%	48%	(1%)	-	-

The Group registered a 48% increase in revenue to S\$9.4 million in 3Q17 from S\$6.4 million in 3Q16. This was driven by higher average selling prices (ASP) in 3Q17 compared to 3Q16, and a slight uptick in sales volume due to higher purchases of steel materials from customers in the marine and offshore, as well as the construction sectors during 3Q17.

For 9M17, Group revenue was relatively stable at S\$24.3 million compared to S\$24.5 million in 9M16 as higher ASP compensated for lower overall sales volume during 9M17. The marine and offshore segment registered increased sales which helped mitigate lower revenue derived from other key end-user segments in 9M17.

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 reported on (cont'd)

Gross Profit and Gross Profit Margin

		1Q	2Q	3Q	9M	4Q	Full Year
Gross Profit (S\$ m)	FY2017	1.6	2.6	2.4	6.6	-	-
	FY2016	2.5	2.5	1.6	6.5	1.6	8.1
Gross Profit Margin	FY2017	31.4%	27.0%	25.4%	27.3%	-	-
	FY2016	25.6%	29.1%	24.9%	26.6%	25.4%	26.4%

Gross profit in 3Q17 increased 51% year-on-year to S\$2.4 million from S\$1.6 million in 3Q16 on the back of higher revenue. Notwithstanding the increase in inventory replenishment costs, the Group's gross profit margin improved to 25.4% in 3Q17 and 27.3% in 9M17 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 3Q17, the Group recorded other income of S\$207,000 compared to S\$246,000 in 3Q16 due to lower interest income.

Marketing and Distribution Costs and Administrative Expenses

Marketing and distribution costs in 3Q17 decreased to S\$52,000 from S\$120,000 in 3Q16 in tandem with the level of freight and handling services that were required for customers' orders. Administrative expenses for 3Q17 increased to S\$2.3 million from S\$1.6 million in 3Q16 due to higher provision for staff expenses and depreciation charges. The Group's depreciation charges increased by S\$0.4 million to S\$0.5 million in 3Q17 following the completion of a warehouse redevelopment.

Finance Costs and Other Losses

The Group did not incur any finance costs in 3Q17. Other losses in 3Q17 amounted to S\$81,000 due to foreign exchange adjustment loss.

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

		1Q	2Q	3Q	9M	4Q	Full Year
Net Profit / (Loss) Attributable to Equity Holders (S\$ m)	FY2017	(0.6)	0.7	0.3	0.4	-	-
	FY2016	0.7	0.7	0.2	1.6	0.7	2.3
	y-o-y change	n.m.	(4%)	69%	(74%)	-	-
Net Profit Margin	FY2017	n.m.	6.8%	1.7%	0.8%	-	-
	FY2016	7.9%	8.8%	2.4%	6.8%	11.4%	7.7%

The Group's net profit attributable to equity holders ("PATMI") increased to S\$0.3 million in 3Q17 from S\$0.2 million in 3Q16 mainly as a result of higher revenue and gross profit. For 9M17, the Group posted a lower PATMI of S\$0.4 million compared to S\$1.6 million in 9M16. This was attributed primarily to depreciation charges which rose by S\$1.3 million during 9M17. On the other hand, the Group's EBITDA of S\$1.6 million in 9M17 was higher compared to S\$1.3 million in 9M16.

Review of Financial Position

Statement of Financial Position as at 30 June 2017

As at 30 September 2017, the Group's shareholders' equity (excluding treasury shares) stood at S\$92.6 million, which translated to net asset value of 27.14 cents per share. The Group had cash and cash equivalents of S\$56.7 million with zero borrowings at the end of September 2017.

Property, plant and equipment decreased slightly to S\$23.2 million from S\$23.4 million as at 31 December 2016.

Trade and other receivables increased to S\$7.5 million from S\$5.8 million at the end of December 2016 in tandem with higher revenue.

Inventories (measured on a weighted average cost basis) as at 30 September 2017 increased marginally to S\$13.0 million from S\$12.8 million at the end of December 2016 due to higher cost of inventory replenishment.

Other financial assets as at 30 September 2017 stood at S\$1.0 million which arose from an investment in fixed-income securities.

Trade and other payables decreased to S\$3.2 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\$0.7 million during 9M17. This was due mainly to the increase in trade and other receivables.

Net cash used in investing activities during 9M17 amounted to approximately S\$2.0 million. This was attributed mainly to the redevelopment of the Group's warehouse as well as an investment in financial assets. Net cash used in financing activities in 9M17 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\$56.7 million as at 30 September 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 1 August 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

In its October 2017 Short Range Outlook, worldsteel forecasts that global steel demand will reach 1,622.1 Mt in 2017 from 1,515.5 Mt in 2016. worldsteel expects global growth to moderate in 2018 with steel demand of 1,648.1 Mt, mainly due to slower growth in China while steel demand in the rest of the world will continue to maintain its current momentum. Excluding China, worldsteel projects global steel demand will rise 2.6% to 856.4 Mt in 2017 followed by an increase of 3.0% to 882.4 Mt in 2018.

MEPS is forecasting its world average steel selling figure to decrease marginally in the final quarter of 2017. Traditionally, end-user demand declines during the fourth quarter as distributors tend to draw down their stock levels for the year-end and this is likely to exert negative pressure on transaction values.

Given prevailing global economic uncertainties, continuing weakness in the offshore and marine sector and tight financing conditions affecting new projects of steel end-users, steel demand in the Group's key markets within the region is likely to be uneven in the foreseeable future. Coupled with intense competition, the Group expects the operating environment for its segment of the steel industry 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.

Although the Group has seen a modest pick-up in purchasing volumes from certain market segments in recent months, it remains cautious about the sustainability of end-user demand. With a sound balance sheet backed by cash of S\$56.7 million and zero debt, the Group is well-positioned to withstand periods of market uncertainty 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 remain 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/recommended 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)

	9M FY2017 S\$'000	9M FY2016 S\$'000
Penta Transport Services	<u>152</u>	<u>107</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
9 November 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 third quarter ended 30 September 2017 to be false or misleading.

On behalf of the Board of Directors

LEE CHOON BOK
EXECUTIVE CHAIRMAN

LEE YIH CHYI
MANAGING DIRECTOR