



ASIA ENTERPRISES HOLDING LIMITED

## ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

### Unaudited First Half Financial Statement for the Period ended 30 June 2016

#### 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 FY2016 S\$'000	2Q FY2015 S\$'000	% +/( - )	1H FY2016 S\$'000	1H FY2015 S\$'000	% +/( - )
<b>Revenue</b>	8,505	7,884	8	18,185	17,777	2
Cost of Sales	(6,026)	(6,858)	(12)	(13,228)	(15,371)	(14)
<b>Gross Profit</b>	2,479	1,026	142	4,957	2,406	106
<b>Other Items of Income</b>						
Interest Income	216	135	60	427	259	65
Other Gains	33	161	(80)	42	252	(83)
<b>Other Items of Expense</b>						
Marketing and Distribution Costs	(67)	(76)	(12)	(184)	(217)	(15)
Administrative Expenses	(1,916)	(1,461)	31	(3,628)	(3,353)	8
Finance Costs	-	-	NM	-	(1)	NM
Other Losses	-	(242)	NM	(102)	(342)	(70)
<b>Profit/(Loss) Before Tax from Continuing Operations</b>	745	(457)	NM	1,512	(996)	NM
Income Tax Expense	-	(5)	NM	-	(23)	NM
<b>Profit/(Loss) Net of Tax</b>	745	(462)	NM	1,512	(1,019)	NM
Profit/(Loss) Attributable to Owners of the Parent, Net of Tax	727	(470)	NM	1,473	(1,063)	NM
Profit Attributable to Non-Controlling Interests, Net of Tax	18	8	125	39	44	(11)
	745	(462)	NM	1,512	(1,019)	NM
<b>Earnings/(Loss) Per Share</b>						
Basic (Cents)	0.21	(0.14)		0.43	(0.31)	
Diluted (Cents)	0.21	(0.14)		0.43	(0.31)	

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

	Group					
	2Q FY2016 S\$'000	2Q FY2015 S\$'000	% +/( - )	1H FY2016 S\$'000	1H FY2015 S\$'000	% +/( - )
Gain on disposal of plant and equipment	-	9	NM	-	25	NM
Foreign exchange adjustment gain/(loss)	6	(3)	NM	(102)	(103)	(1)
Write-back of doubtful debts and bad debts	27	152	(82)	42	227	(81)
Written-off of doubtful debts and bad debts	-	(239)	NM	-	(239)	NM
Depreciation expenses	(111)	(111)	-	(222)	(227)	(2)

NM : Not meaningful

# ASIA ENTERPRISES HOLDING LIMITED

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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					
	2Q FY2016 S\$'000	2Q FY2015 S\$'000	% + / (-)	1H FY2016 S\$'000	1H FY2015 S\$'000	% + / (-)
Profit/(Loss) Net of Tax	745	(462)	NM	1,512	(1,019)	NM
Other Comprehensive Income	-	-		-	-	
<b>Total Comprehensive Income/(Loss) for the Period</b>	<b>745</b>	<b>(462)</b>		<b>1,512</b>	<b>(1,019)</b>	<b>NM</b>
Total Comprehensive Income/(Loss) Attributable to Owners of the Parent	727	(470)	NM	1,473	(1,063)	NM
Total Comprehensive Income Attributable to Non-Controlling Interests	18	8	125	39	44	(11)
<b>Total Comprehensive Income/(Loss)</b>	<b>745</b>	<b>(462)</b>	<b>NM</b>	<b>1,512</b>	<b>(1,019)</b>	<b>NM</b>

NM : Not meaningful

# ASIA ENTERPRISES HOLDING LIMITED

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

## Statements of Financial Position

	Group		Company	
	As at 30/06/2016 S\$'000	As at 31/12/2015 S\$'000	As at 30/06/2016 S\$'000	As at 31/12/2015 S\$'000
<b>ASSETS</b>				
<b><u>Non-Current Assets</u></b>				
Property, Plant and Equipment	13,639	8,004	-	-
Investment Property	516	526	-	-
Investments in Subsidiaries	-	-	43,530	43,530
Other Assets	100	100	-	-
<b>Total Non-Current Assets</b>	<b>14,255</b>	<b>8,630</b>	<b>43,530</b>	<b>43,530</b>
<b><u>Current Assets</u></b>				
Inventories	13,450	16,981	-	-
Trade and Other Receivables	7,058	6,458	16,333	18,000
Other Financial Assets	12	1,019	-	-
Cash and Cash Equivalents	68,050	68,372	2,702	2,662
<b>Total Current Assets</b>	<b>88,570</b>	<b>92,830</b>	<b>19,035</b>	<b>20,662</b>
<b>Total Assets</b>	<b>102,825</b>	<b>101,460</b>	<b>62,565</b>	<b>64,192</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
Retained Earnings	33,035	33,272	3,591	5,100
Capital Reserve	575	575	-	-
<b>Equity, Attributable to Owners of the Parent</b>	<b>92,466</b>	<b>92,703</b>	<b>62,447</b>	<b>63,956</b>
Non-Controlling Interests	5,758	5,879	-	-
<b>Total Equity</b>	<b>98,224</b>	<b>98,582</b>	<b>62,447</b>	<b>63,956</b>
<b><u>Non-Current Liabilities</u></b>				
Deferred Tax Liabilities	688	688	-	-
<b>Total Non-Current Liabilities</b>	<b>688</b>	<b>688</b>	<b>-</b>	<b>-</b>
<b><u>Current Liabilities</u></b>				
Income Tax Payable	6	12	6	12
Trade and Other Payables	3,907	2,178	112	224
Other Financial Liabilities	-	-	-	-
<b>Total Current Liabilities</b>	<b>3,913</b>	<b>2,190</b>	<b>118</b>	<b>236</b>
<b>Total Liabilities</b>	<b>4,601</b>	<b>2,878</b>	<b>118</b>	<b>236</b>
<b>Total Equity and Liabilities</b>	<b>102,825</b>	<b>101,460</b>	<b>62,565</b>	<b>64,192</b>

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

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

As at 30/06/2016 S\$'000		As at 31/12/2015 S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

### Amount repayable after one year

As at 30/06/2016 S\$'000		As at 31/12/2015 S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

### Details of any collateral

Not applicable.

# ASIA ENTERPRISES HOLDING LIMITED

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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			
	2Q	2Q	1H	1H
	FY2016	FY2015	FY2016	FY2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Cash Flows from Operating Activities</u></b>				
Profit/(Loss) Before Tax	745	(457)	1,512	(996)
Adjustments for:				
Depreciation of Investment Property	5	5	10	9
Depreciation of Property, Plant and Equipment	106	106	212	218
Interest Income	(216)	(135)	(427)	(259)
Interest Expense	-	-	-	1
Gain on Disposal of Plant and Equipment	-	(9)	-	(25)
Operating Cash Flows Before Changes in Working Capital	640	(490)	1,307	(1,052)
Inventories	661	2,953	3,531	6,088
Trade and Other Receivables	2,287	1,715	(600)	619
Trade and Other Payables	1,691	257	1,729	(954)
Net Cash Flows From Operations Before Interest and Tax	5,279	4,435	5,967	4,701
Income Taxes Paid	(4)	(127)	(6)	(206)
Net Cash Flows From Operating Activities	5,275	4,308	5,961	4,495
<b><u>Cash Flows from Investing Activities</u></b>				
Disposal of Other Financial Assets	1,007	7	1,007	7
Disposal of Plant and Equipment	-	10	-	40
Purchase of Plant and Equipment	(4,501)	(181)	(5,847)	(294)
Interest Received	216	135	427	259
Net Cash Flows (Used in)/From Investing Activities	(3,278)	(29)	(4,413)	12
<b><u>Cash Flows from Financing Activities</u></b>				
Dividends Paid to Equity Owners	(1,710)	(5,129)	(1,710)	(5,129)
Dividends Paid by A Subsidiary to Non-Controlling Interests	(160)	(400)	(160)	(400)
Other Financial Liabilities	-	(278)	-	(968)
Interest Paid	-	-	-	(1)
Net Cash Flows Used in Financing Activities	(1,870)	(5,807)	(1,870)	(6,498)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	127	(1,528)	(322)	(1,991)
Cash and Cash Equivalents, Beginning Balance	67,923	66,495	68,372	66,958
<b>Cash and Cash Equivalents, Ending Balance</b>	68,050	64,967	68,050	64,967

# ASIA ENTERPRISES HOLDING LIMITED

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- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

## Statements of Changes in Equity

	Attributable to					Non-Controlling Interests
	Total Equity	Parent Sub-Total	Share Capital	Capital Reserve	Retained Earnings	
<b>Group (S\$'000)</b>						
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)		
Opening Balance at 1 January 2015	116,245	109,912	58,856	575	50,481	6,333
Total Comprehensive (Loss)/Income for the Period ended 30 June 2015	(1,019)	(1,063)	-	-	(1,063)	44
Dividends paid	(5,529)	(5,129)	-	-	(5,129)	(400)
Closing Balance at 30 June 2015	109,697	103,720	58,856	575	44,289	5,977
				(a)		

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

	Total Equity	Share Capital	Retained Earnings
<b>Company (S\$'000)</b>			
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
Opening Balance at 1 January 2015	67,377	58,856	8,521
Total Comprehensive Income for the Period ended 30 June 2015	570	-	570
Dividends paid	(5,129)	-	(5,129)
Closing Balance at 30 June 2015	62,818	58,856	3,962

- 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 30 June 2016	341,917,487
As at 31 December 2015	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 30 June 2016.

**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 2015.

**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 FY2016	2Q FY2015	1H FY2016	1H FY2015
Earnings/(Loss) per ordinary share for the period based on net profit/(loss) attributable to shareholders				
(a) Based on 341,917,487 ordinary shares	0.21 cents	(0.14) cents	0.43 cents	(0.31) cents
(b) On a fully diluted basis	0.21 cents	(0.14) cents	0.43 cents	(0.31) cents

## ASIA ENTERPRISES HOLDING LIMITED

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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 30/06/2016	As at 31/12/2015	As at 30/06/2016	As at 31/12/2015
Net asset value per ordinary share (cents) *	27.04	27.11	18.26	18.71

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

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

### Review of the Steel Industry

Based on the figures released by World Steel Association (worldsteel), global crude steel production in the first six months of 2016 declined 1.9% to 794.8 million tonnes (Mt) compared to the same period in 2015 as most of the steel producing regions reported negative production growth.

China, the world's largest producer, reported a decline of 1.1% in steel production for the first half of 2016. However, China's crude steel production rose 1.7% year-on-year to 69.5Mt in June 2016, which is the fourth straight month of growth since March 2016.

According to MEPS, its World All Products Composite Steel Prices saw an increase for six consecutive months between January and June 2016. MEPS predicts that steel prices are now close to the peak for the current cycle amid a modest global demand outlook. Steel prices in China are expected to come under pressure in the second half of 2016 as steel mills in China have ramped up output in response to the surge in domestic prices at the start of the year.

(Sources: World Steel Association; MEPS, "MEPS Global Steel Price Rises Again in June" published 30 June 2016)

### Review of Statement of Comprehensive Income

For the quarter ended 30 June 2016 ("2Q16"), the Group registered higher volume of sales compared to 2Q15 as customers continued to restock steel materials to fulfill their immediate project requirements. The increase in sales volume was however partially offset by lower average selling prices (ASP) in 2Q16. While international steel prices have improved since the start of 2016, market prices in 2Q16 remained lower than the levels seen in 2Q15.

Nevertheless, the Group's revenue improved 8% year-on-year in 2Q16. Coupled with higher gross profit margin, the Group posted a net profit of S\$0.7 million in 2Q16. With two consecutive quarters of profitable performance, the Group reported a net profit of S\$1.5 million for the first six months ended 30 June 2016 ("1H16"), reversing a net loss of S\$1.0 million in 1H15.

The Group also remained in a sound financial position at the end of June 2016. It has cash and cash equivalents of S\$68.1 million and zero borrowings. The Group's net asset value per share of 27.04 cents as at 30 June 2016 includes cash and cash equivalents of 19.90 cents per share and inventory of steel products with book value of 3.93 cents per share.

### Revenue

Revenue (\$\$ m)	1Q	2Q	1H	3Q	4Q	Full Year
FY2016	9.7	8.5	18.2	-	-	-
FY2015	9.9	7.9	17.8	7.5	7.0	32.3
y-o-y change	(2%)	8%	2%	-	-	-

Group revenue in 2Q16 improved 8% year-on-year to S\$8.5 million from S\$7.9 million in 2Q15. The increase was driven by higher sales volume which more than offset the impact of lower ASP in 2Q16. The weaker ASP was in-line with the trend of international steel prices in 2Q16 which remained below the levels seen in 2Q15.

Sales to the marine and offshore, and construction sectors in 2Q16 were higher than in 2Q15. These segments helped to buffer softer sales to the engineering/fabrication segment during 2Q16.

For 1H16, Group revenue increased 2% to S\$18.2 million compared to S\$17.8 million in 1H15 despite lower ASP. The increase was lifted mainly by higher sales volume of steel products to the marine and offshore, and construction segments in 1H16.



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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)

## Gross Profit and Gross Profit Margin

		1Q	2Q	1H	3Q	4Q	Full Year
Gross Profit (S\$ m)	FY2016	2.5	2.5	5.0	-	-	-
	FY2015	1.4	1.0	2.4	0.7	0.5	3.7
Gross Profit Margin	FY2016	25.6%	29.1%	27.3%			
	FY2015	13.9%	13.0%	13.5%	9.5%	7.8%	11.4%

The Group's gross profit in 2Q16 increased 142% to S\$2.5 million compared to S\$1.0 million in 2Q15. This was due mainly to lower weighted average cost of inventory sold following a write-down in the value of the Group's steel inventory in 4Q15. As a result, the Group's gross profit margin widened to 29.1% in 2Q16 compared to 13.0% in 2Q15. For 1H16, the Group also recorded a higher gross profit margin of 27.3% compared to 13.5% in 1H15.

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 2Q16, other income amounted to S\$0.2 million which comprised primarily interest income. This was less than other income of S\$0.3 million in 2Q15 due to lower write-back of doubtful and bad debts in 2Q16.

## Marketing and Distribution Costs and Administrative Expenses

Marketing and distribution costs in 2Q16 decreased 12% year-on-year to S\$67,000 in line with the lower level of freight and handling services that were required for customers' orders. Administrative expenses for 2Q16 increased 31% to S\$1.9 million from S\$1.5 million in 2Q15 due mainly to higher property tax and staff expenses.

## Finance Costs and Other Losses

The Group remained debt-free in 2Q16 and hence did not incur any finance costs during the quarter. The Group also did not incur other losses in 2Q16, as opposed to other losses of S\$0.2 million in 2Q15 which were attributed mainly to doubtful and bad debts written off.

## Net Profit and Net Profit Margin

		1Q	2Q	1H	3Q	4Q	Full Year
Net Profit / Loss (S\$ m)	FY2016	0.8	0.7	1.5	-	-	-
	FY2015	(0.6)	(0.5)	(1.0)	(0.7)	(10.4)	(12.1)
	y-o-y change	n.m.	n.m.	n.m.	-	-	-
Net Profit Margin	FY2016	7.9%	8.8%	8.3%			
	FY2015	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

As a result of higher sales and gross profit, the Group posted a net profit of S\$0.7 million in 2Q16, reversing the net loss of S\$0.5 million in 2Q15. With two consecutive quarters of profitable performance, the Group recorded a net profit of S\$1.5 million for 1H16, marking a turnaround from a loss of S\$1.0 million in 1H15.

## Review of Financial Position

### Statement of Financial Position as at 30 June 2016

As at 30 June 2016, the Group's shareholders' equity stood at S\$92.5 million, which translated to net asset value of 27.04 cents per share.

The Group had cash and cash equivalents of S\$68.1 million and remained debt free as at 30 June 2016.

Property, plant and equipment increased to S\$13.6 million compared to S\$8.0 million as at 31 December 2015 due to the ongoing redevelopment of one of the Group's warehouses.

Trade and other receivables increased to S\$7.1 million from S\$6.5 million at the end of December 2015 in tandem with higher sales in 2Q16 compared to 4Q15.

Inventories (measured on a weighted average cost basis) as at 30 June 2016 decreased to S\$13.5 million from S\$17.0 million at the end of December 2015, as the Group continued to align its stock levels to prevailing market conditions.

Trade and other payables increased to S\$3.9 million from S\$2.2 million as at 31 December 2015 due mainly to higher other payables arising from the redevelopment of a warehouse.

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- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (cont'd)

### *Statement of Cash Flows*

Net cash generated from operating activities during 2Q16 was S\$5.3 million. This was derived mainly from operating cash flows before changes in working capital of S\$0.6 million and net working capital inflows of S\$4.6 million arising from reductions in trade and other receivables and inventory, and an increase in trade and other payables.

Net cash used in investing activities amounted to approximately S\$3.3 million, which was mainly for the redevelopment of the Group's warehouse. Net cash used in financing activities in 2Q16 was S\$1.9 million due mainly to the payment of dividends to shareholders of the Company with respect to FY2015. As a result of the above factors, the Group's cash and cash equivalents increased by S\$0.1 million during 2Q16 to S\$68.1 million.

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

There was no material variance from the commentary in Section 10 of the Group's previous financial statements released on 4 May 2016.

- 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

### *Group Outlook*

China's steel production has risen at a record pace in recent months as producers were spurred by the rally in steel prices to fire up idled or underused factories. The growth in China's output has in turn fuelled an export boom. In the first six months of 2016, steel exports from China were up 9% to 57.12 million metric tons from the year-ago period.

According to a report from BMI Research, steel prices rallied over the first half of 2016 due to high demand from restocking activities by steel users in China, government stimulus measures in China's housing market and positive investor sentiment. However, BMI expects steel prices to head lower over the coming quarters as Chinese demand will weaken and lead to an oversupplied market. BMI predicts steel prices will gradually edge higher from 2017 onwards as the global surplus narrows with supply cutbacks in China.

(Sources: "China Steel Pours Out Faster Than Ever", Wall Street Journal, published 21 July 2016; BMI Steel Report, BMI Research)

In view of the ongoing uncertainties in the global economy, and supply-side concerns in the steel industry, the Group maintains a cautious view of its business environment. Although the Group's sales volume improved during 1H16 compared to 1H15, the overall end-user demand from its key customer segments continues to be modest. Coupled with steel price volatility and intense industry competition, the operating environment is expected to remain challenging.

The increase in international steel prices and fluctuations in the exchange rate of the US dollar against the Singapore dollar could also affect the Group's cost of replenishing inventory.

The Group recognises the importance of safeguarding its financial strength to sustain shareholder value during slower business periods. With a balance sheet backed by S\$68.1 million in cash and zero debt, the Group believes it is well-positioned to capitalise on opportunities when the major steel consuming industries such as shipyards, start to experience a recovery momentum in business activities.

To be ready for future opportunities, the Group is currently undertaking the redevelopment of one of its warehouses. This redevelopment, which is expected to be completed before the end of 2016, will increase the storage capacity and improve operating efficiency of the warehouse.

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

# ASIA ENTERPRISES HOLDING LIMITED

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## 11 Dividends

### (a) Current financial period reported on

*Any dividend declared for the current financial period reported on?*

None

### (b) Corresponding period of the immediately preceding financial year

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

None

### (c) Date payable

Not applicable

### (d) Book closure date

Not applicable

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

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)

	<b>1H FY2016 S\$'000</b>	<b>1H FY2015 S\$'000</b>
Penta Transport Services	<u>76</u>	<u>137</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 2015.

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  
2 August 2016

# **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 2016 to be false or misleading.

On behalf of the Board of Directors

LEE CHOON BOK  
EXECUTIVE CHAIRMAN

LEE YIH CHYI  
MANAGING DIRECTOR