

ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

Unaudited First Half Financial Statement for the Period ended 30 June 2018

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 FY2018 S\$'000	2Q FY2017 S\$'000	% + / (-)	1H FY2018 S\$'000	1H FY2017 S\$'000	% + / (-)
Revenue	10,877	9,670	12	19,435	14,886	31
Cost of Sales	(8,386)	(7,063)	19	(15,027)	(10,640)	41
Gross Profit	2,491	2,607	(4)	4,408	4,246	4
<u>Other Items of Income</u>						
Interest Income	180	170	6	348	324	7
Other Gains	168	-	NM	166	-	NM
<u>Other Items of Expense</u>						
Marketing and Distribution Costs	(63)	(143)	(56)	(141)	(205)	(31)
Administrative Expenses	(2,121)	(1,891)	12	(4,095)	(4,089)	0
Finance Costs	-	(2)	NM	-	(2)	NM
Other Losses	-	(80)	NM	-	(254)	NM
Profit Before Tax from Continuing Operations	655	661	(1)	686	20	3,330
Income Tax Income	-	-	NM	3	21	(86)
Profit Net of Tax	655	661	(1)	689	41	1,580
Profit Attributable to Owners of the Parent, Net of Tax	732	699	5	837	138	507
(Loss)/Profit Attributable to Non-Controlling Interests, Net of Tax	(77)	(38)	103	(148)	(97)	53
	655	661	(1)	689	41	1,580
Earnings Per Share						
Basic (Cents)	0.21	0.20		0.25	0.04	
Diluted (Cents)	0.21	0.20		0.25	0.04	

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

	Group					
	2Q FY2018 S\$'000	2Q FY2017 S\$'000	% + / (-)	1H FY2018 S\$'000	1H FY2017 S\$'000	% + / (-)
Loss on disposal of plant and equipment	-	-	-	-	(11)	NM
Foreign exchange adjustment (loss)/gain	167	(80)	NM	165	(243)	NM
Write-back of doubtful debts and bad debts	1	-	NM	1	-	NM
Depreciation expenses	(538)	(549)	(2)	(1,080)	(1,099)	(2)

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					
	2Q FY2018 S\$'000	2Q FY2017 S\$'000	% +/(-)	1H FY2018 S\$'000	1H FY2017 S\$'000	% +/(-)
Profit Net of Tax	655	661	(1)	689	41	1,580
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income for the Period	655	661	(1)	689	41	1,580
Total Comprehensive Income Attributable to Owners of the Parent	732	699	5	837	138	507
Total Comprehensive (Loss)/Income Attributable to Non-Controlling Interests	(77)	(38)	103	(148)	(97)	53
Total Comprehensive Income	655	661	(1)	689	41	1,580

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 30/06/2018 S\$'000	As at 31/12/2017 S\$'000	As at 30/06/2018 S\$'000	As at 31/12/2017 S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	21,684	22,679	-	-
Investment Property	477	486	-	-
Investments in Subsidiaries	-	-	43,530	43,530
Other Financial Assets	4,130	1,818	773	257
Other Asset	50	50	-	-
Total Non-Current Assets	26,341	25,033	44,303	43,787
<u>Current Assets</u>				
Inventories	14,501	14,275	-	-
Trade and Other Receivables	9,436	7,096	16,343	17,784
Other Financial Assets	1,279	795	255	261
Cash and Cash Equivalents	49,285	57,225	1,675	2,470
Total Current Assets	74,501	79,391	18,273	20,515
Total Assets	100,842	104,424	62,576	64,302
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	33,406	34,275	3,732	5,340
Capital Reserve	575	575	-	-
Equity, Attributable to Owners of the Parent	92,699	93,568	62,450	64,058
Non-Controlling Interests	5,256	5,484	-	-
Total Equity	97,955	99,052	62,450	64,058
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	742	742	-	-
Total Non-Current Liabilities	742	742	-	-
<u>Current Liabilities</u>				
Income Tax Payable	4	12	4	12
Trade and Other Payables	2,141	4,618	122	232
Total Current Liabilities	2,145	4,630	126	244
Total Liabilities	2,887	5,372	126	244
Total Equity and Liabilities	100,842	104,424	62,576	64,302

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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 30/06/2018 S\$'000		As at 31/12/2017 S\$'000	
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Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30/06/2018 S\$'000		As at 31/12/2017 S\$'000	
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Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

Not applicable.

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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 FY2018 S\$'000	2Q FY2017 S\$'000	1H FY2018 S\$'000	1H FY2017 S\$'000
<u>Cash Flows from Operating Activities</u>				
Profit Before Tax	655	661	686	20
Adjustments for:				
Depreciation of Investment Property	4	4	9	9
Depreciation of Property, Plant and Equipment	534	545	1,071	1,090
Deaccrion in Amortised Cost of Other Financial Assets	53	-	78	-
Interest Income	(179)	(170)	(347)	(324)
Interest Expense	-	2	-	2
Loss on Disposal of Property, Plant and Equipment	-	-	-	11
Operating Cash Flows Before Changes in Working Capital	1,067	1,042	1,497	808
Inventories	5,796	(4,206)	(226)	(3,004)
Trade and Other Receivables	713	(809)	(2,339)	482
Trade and Other Payables	(720)	(264)	(2,478)	(1,307)
Net Cash Flows From Operations Before Interest and Tax	6,856	(4,237)	(3,546)	(3,021)
Income Taxes Paid	(3)	(4)	(5)	17
Net Cash Flows (Used in)/From Operating Activities	6,853	(4,241)	(3,551)	(3,004)
<u>Cash Flows from Investing Activities</u>				
Proceeds from Disposal of Property, Plant and Equipment	-	-	-	51
Purchase of Property, Plant and Equipment	(36)	(3)	(76)	(1,500)
Other Financial Assets - (Increase)/ Decrease	(1,556)	-	(2,874)	-
Interest Received	179	170	347	324
Net Cash Flows From/(Used in) Investing Activities	(1,413)	167	(2,603)	(1,125)
<u>Cash Flows from Financing Activities</u>				
Dividends Paid to Equity Owners	(1,706)	(1,023)	(1,706)	(1,023)
Dividends Paid by A Subsidiary to Non-Controlling Interests	(80)	(120)	(80)	(120)
Other Financial Liabilities	-	(57)	-	-
Interest Paid	-	(2)	-	(2)
Net Cash Flows Used in Financing Activities	(1,786)	(1,202)	(1,786)	(1,145)
Net (Decrease)/Increase in Cash and Cash Equivalents	3,654	(5,276)	(7,940)	(5,274)
Cash and Cash Equivalents, Beginning Balance	45,631	60,472	57,225	60,470
Cash and Cash Equivalents, Ending Balance	49,285	55,196	49,285	55,196

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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	Treasury Shares	Capital Reserve	Retained Earnings	
Group (S\$'000)							
Opening Balance at 1 January 2018	99,052	93,568	58,856	(138)	575	34,275	5,484
Total Comprehensive Income/(Loss) for the Period ended 30 June 2018	689	837	-	-	-	837	(148)
Dividends paid	(1,786)	(1,706)	-	-	-	(1,706)	(80)
Closing Balance at 30 June 2018	97,955	92,699	58,856	(138)	575	33,406	5,256
	(a)						
Opening Balance at 1 January 2017	98,957	93,190	58,856	(138)	575	33,897	5,767
Total Comprehensive Income for the Period ended 30 June 2017	41	138	-	-	-	138	(97)
Dividends paid	(1,143)	(1,023)	-	-	-	(1,023)	(120)
Closing Balance at 30 June 2017	97,855	92,305	58,856	-	575	33,012	5,550
	(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 2018	64,058	58,856	(138)	5,340
Total Comprehensive Income for the Period ended 30 June 2018	98	-	-	98
Dividends paid	(1,706)	-	-	(1,706)
Closing Balance at 30 June 2018	62,450	58,856	(138)	3,732
Opening Balance at 1 January 2017	63,254	58,856	(138)	4,536
Total Comprehensive Income for the Period ended 30 June 2017	142	-	-	142
Dividends paid	(1,023)	-	-	(1,023)
Closing Balance at 30 June 2017	62,373	58,856	(138)	3,655

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

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

There were a total of 788,600 treasury shares held as at 30 June 2018. (30 June 2017 : 788,600)

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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

	Number of shares	
	As at 30/06/2018	As at 31/12/2017
Total number of issued shares	341,917,487	341,917,487
Treasury shares and subsidiary holdings	788,600	788,600
Total number of issued shares excluding treasury shares and subsidiary holdings	341,128,887	341,128,887

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

The Company held 788,600 treasury shares as at 30 June 2018. 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

Except as disclosed in paragraph 5 below, 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 2017.

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

The Group has adopted all the new or revised Singapore Financial Reporting Standards (International) ("SFRS(I)s") and the related Interpretations to SFRS(I)s ("SFRS(I) INT") that are effective for the financial period beginning 1 January 2018 and relevant to its operation. The adoption of these SFRS(I)s and SFRS(I) INT does not have material impact on the financial position and/or financial performance of the Group.

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 FY2018	2Q FY2017	1H FY2018	1H FY2017
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	0.21 cents	0.20 cents	0.25 cents	0.04 cents
Weighted average number of ordinary shares in issue (excluding treasury shares and subsidiary holdings)	341,128,887	341,128,887	341,128,887	341,128,887
(b) On a fully diluted basis	0.21 cents	0.20 cents	0.25 cents	0.04 cents
Weighted average number of ordinary shares in issue (excluding treasury shares and subsidiary holdings)	341,128,887	341,128,887	341,128,887	341,128,887

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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 30/06/2018	As at 31/12/2017	As at 30/06/2018	As at 31/12/2017
Net asset value per ordinary share (cents) *	27.17	27.43	18.31	18.78

* The net asset value per ordinary share of the Group and the Company as at 30 June 2018 is computed based on the total number of issued shares (excluding 788,600 treasury shares and subsidiary holdings) of 341,128,887 (31 December 2017: 341,128,887).

- 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 compiled by World Steel Association (worldsteel), global crude steel production grew 4.6% to 881.5 million tonnes (Mt) in the first six months of 2018, compared to the same period in 2017, due mainly to output from steel mills in Asia.

Crude steel production in Asia increased 5.2% to 613.9Mt in the first half of 2018. This was driven primarily by a 6.0% increase in output to 451.2 MT in China, which is the world's largest steel producer. The crude steel capacity utilisation ratio of the 64 countries tracked by worldsteel has been rising steadily this year, from 70.0% in January to 78.5% in June 2018.

(Source: World Steel Association)

Overview

Asia Enterprises is a major distributor of steel products to industrial end-users in Singapore and the Asia-Pacific region. The Group offers a wide range of products that is complemented by its value-added steel processing services to offer a 'one-stop' solution and 'just-in-time' delivery to its customers in the marine and offshore, oil and gas, construction, as well as precision metal stamping, manufacturing and engineering/fabrication industries. With over 40 years of operating history, the Group has forged a strong reputation as a reliable distributor of steel products to the marine and offshore industries.

Review of Statement of Comprehensive Income

Revenue

Revenue (S\$ m)	1Q	2Q	1H	3Q	4Q	Full Year
FY2018	8.6	10.9	19.4	-	-	-
FY2017	5.2	9.7	14.9	9.4	6.5	30.8
y-o-y change	64%	12%	31%	-	-	-

For the second quarter ended 30 June 2018 ("2Q18"), the Group registered revenue of S\$10.9 million, up 12% from S\$9.7 million in 2Q17. This was driven by higher average selling prices ("ASP") in tandem with the trend of international steel prices.

On a quarter-on-quarter basis, Group revenue in 2Q18 also gained 27% from S\$8.6 million in 1Q18. The revenue growth was attributed primarily to higher purchases of steel materials from customers in the marine and offshore sector in this region.

During the first six months of 2018 ("1H18"), the Group's revenue improved 31% to S\$19.4 million from S\$14.9 million in 1H17. This was achieved on the back of increased sales volume and higher ASP of steel products. The Group witnessed comparatively higher orders from the marine and offshore sector in 1H18 in tandem with customers' repair and newbuild projects. Sales to the construction segment also improved while sales to engineering/fabrication segment remained stable in 1H18 compared to 1H17.

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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)	FY2018	1.9	2.5	4.4	-	-	-
	FY2017	1.6	2.6	4.2	2.4	1.9	8.6
Gross Profit Margin	FY2018	22.4%	22.9%	22.7%			
	FY2017	31.4%	27.0%	28.5%	25.4%	29.7%	27.8%

The Group's gross profit in 2Q18 dipped marginally to S\$2.5 million from S\$2.6 million in 2Q17. Gross profit margin narrowed to 22.9% from 27.0% previously due to an increase in weighted average cost of inventory sold as the cost of stock replenishment has risen in tandem with the increase in international steel prices between the two reporting periods.

Gross profit margin for 1H18 decreased to 22.7% from 28.5% in 1H17 due mainly to higher weighted average cost of inventory sold.

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 2Q18, the Group recorded higher other income of S\$0.4 million compared to S\$0.2 million in 2Q17 as a result of a foreign exchange adjustment gain.

Marketing and Distribution Costs and Administrative Expenses

Marketing and distribution costs in 2Q18 decreased to S\$63,000 from S\$143,000 in 2Q17 in line with the level of freight and handling services that were required for customers' orders. Administrative expenses in 2Q18 increased by 12% to S\$2.1 million from S\$1.9 million in 2Q17 due mainly to staff-related costs. However, administrative expenses were unchanged at S\$4.1 million for 1H18 when compared to 1H17.

Other Losses

The Group did not incur other losses in 2Q18, compared to other losses of S\$80,000 in 2Q17 which was due mainly to a foreign exchange adjustment loss.

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

		1Q	2Q	1H	3Q	4Q	Full Year
Net Profit / (Loss) Attributable to Equity Holders (S\$ m)	FY2018	0.1	0.7	0.8	-	-	-
	FY2017	(0.6)	0.7	0.1	0.3	1.0	1.4
	y-o-y change	n.m.	5%	507%	-	-	-
Net Profit Margin	FY2018	0.4%	6.0%	3.5%	-	-	-
	FY2017	n.m.	6.8%	0.3%	1.7%	15.9%	4.0%

The Group recorded stable net profit attributable to equity holders ("PATMI") of S\$0.7 million in 2Q18 compared to 2Q17. The Group's PATMI before interest, tax and depreciation ("EBITDA") of S\$1.1 million was also largely unchanged when compared to the corresponding quarter last year.

For 1H18, the Group registered PATMI of S\$0.8 million, up significantly from S\$0.1 million in 1H17. This was lifted by higher revenue and gross profit, as well as a foreign exchange gain in 1H18. EBITDA in 1H18 also increased to S\$1.6 million compared to S\$0.9 million in 1H17.

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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)

Review of Financial Position

Statement of Financial Position as at 30 June 2018

The Group's balance sheet remained sound at the end of June 2018 with cash and cash equivalents of S\$49.3 million and zero borrowings. Shareholders' equity (excluding treasury shares) stood at S\$92.7 million, which translated to net asset value of 27.17 cents per share. This included cash and cash equivalents of 14.45 cents per share and inventory with book value of 4.25 cents per share.

Property, plant and equipment decreased slightly to S\$21.7 million from S\$22.7 million as at 31 December 2017 due to depreciation charges.

Other financial assets as at 30 June 2018 increased to S\$5.4 million from S\$2.6 million as at 31 December 2017 due to an increase in investments in fixed-income securities.

Trade and other receivables increased to S\$9.4 million from S\$7.1 million at the end of December 2017 in tandem with higher credit sales.

Inventories (measured on a weighted average cost basis) as at 30 June 2018 increased slightly to S\$14.5 million from S\$14.3 million at the end of December 2017 in tandem with the Group's sales and inventory replenishment activities.

Trade and other payables decreased to S\$2.1 million from S\$4.6 million as at 31 December 2017 due mainly to settlement of outstanding trade payables.

Statement of Cash Flows

The Group used net cash of S\$3.6 million in operating activities during 1H18. This was attributed mainly to the increase in trade and other receivables, as well as the payment of trade and other payables. Net cash used in investing activities in 1H18 amounted to approximately S\$2.6 million, due mainly to an increase in investment in other financial assets. Net cash used in financing activities totalled S\$1.8 million in 1H18 which was attributed mainly to the payment of dividends to equity owners with respect to FY2017. As a result of the above factors, the Group's cash and cash equivalents declined to S\$49.3 million as at 30 June 2018 compared to S\$57.2 million as at 31 December 2017.

- 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 statements released on 10 May 2018.

- 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

According to World Steel Association (worldsteel), steel demand is benefitting from the broad and favourable global economic momentum affecting both the developed and developing world at the same time. Hence, worldsteel is hopeful that its positive steel demand outlook will remain. Its Short Range Outlook released in April 2018 forecasts steel demand growth of 1.8% in 2018 followed by 0.7% in 2019.

The recovery in commodity prices has helped to shore up demand for steel materials from the marine and offshore industry. The Group witnessed a modest pick-up in steel purchases from customers in the marine sector during 1H18 due to an increase in shipbuilding and shiprepair activities in the region. However, current demand in the newbuild market is primarily driven by the building of smaller vessels for commodities transport as the offshore support vessel market continues to be in an oversupply situation.

Business conditions in the region's steel distribution segment are expected to remain challenging as intense competition is expected to prevail. The Group could also see further increases in its weighted average cost of inventory due to potentially higher cost of inventory replenishment if international steel prices continue to trend higher. As such, the Group remains cautious of its business outlook.

To be ready to capitalise on a sustained recovery in steel demand, the Group will continue to closely monitor the demand trends and purchasing patterns of major steel end-users and ensure it has sufficient and relevant inventory to meet customers' steel requirements.

The Group will also ensure it remains in good financial health by maintaining a prudent expense structure and staying vigilant on its credit exposure. With a balance sheet backed by cash of S\$49.3 million and zero debt, the Group is confident of its business strength and sustainability to withstand the current slow market conditions.

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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

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)

	1H FY2018 S\$'000	1H FY2017 S\$'000
Penta Transport Services	89	118

The value of IPT of the Group is well below 3% of the Group's latest audited net tangible assets as at 31 December 2017.

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
7 August 2018

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(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 2018 to be false or misleading.

On behalf of the Board of Directors

LEE CHOON BOK
EXECUTIVE CHAIRMAN

LEE YIH CHYI
MANAGING DIRECTOR