

ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

Unaudited Full Year Financial Statement and Dividend Announcement for the Year ended 31 December 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					
	4Q FY2017 S\$'000	4Q FY2016 S\$'000	% + / (-)	Year Ended 31/12/2017 S\$'000	Year Ended 31/12/2016 S\$'000	% + / (-)
Revenue	6,501	6,331	3	30,798	30,880	(0)
Cost of Sales	(4,567)	(4,725)	(3)	(22,231)	(22,732)	(2)
Gross Profit	1,934	1,606	20	8,567	8,148	5
<u>Other Items of Income</u>						
Interest Income	175	169	4	649	801	(19)
Other Gains	127	216	(41)	170	197	(14)
<u>Other Items of Expense</u>						
Marketing and Distribution Costs	(60)	(57)	5	(317)	(361)	(12)
Administrative Expenses	(1,083)	(1,093)	(1)	(7,472)	(6,280)	19
Finance Costs	-	-	-	(2)	-	NM
Other Losses	(45)	(63)	(29)	(366)	(63)	481
Profit/(Loss) Before Tax from Continuing Operations	1,048	778	35	1,229	2,442	(50)
Income Tax (Expense) / Income	(12)	(59)	(80)	9	(59)	NM
Profit/(Loss) Net of Tax	1,036	719	44	1,238	2,383	(48)
Profit/(Loss) Attributable to Owners of the Parent, Net of Tax	972	690	41	1,401	2,335	(40)
Profit/(Loss) Attributable to Non-Controlling Interests, Net of Tax	64	29	121	(163)	48	NM
	1,036	719	44	1,238	2,383	(48)
Earnings/(Loss) Per Share						
Basic (Cents)	0.28	0.20		0.41	0.68	
Diluted (Cents)	0.28	0.20		0.41	0.68	

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

	Group					
	4Q FY2017 S\$'000	4Q FY2016 S\$'000	% + / (-)	Year Ended 31/12/2017 S\$'000	Year Ended 31/12/2016 S\$'000	% + / (-)
(Loss)/Gain on disposal of plant and equipment	(3)	-	-	43	25	72
Foreign exchange adjustment gain/(loss)	(42)	213	NM	(366)	119	NM
Write-back of doubtful debts and bad debts	127	3	NM	127	53	140
Written-off of doubtful debts and bad debts	-	(13)	NM	-	(13)	(100)
Impairment loss on other asset	-	(50)	NM	-	(50)	NM
Depreciation expenses	(547)	(111)	393	(2,195)	(445)	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					
	4Q FY2017 S\$'000	4Q FY2016 S\$'000	% + / (-)	Year Ended 31/12/2017 S\$'000	Year Ended 31/12/2016 S\$'000	% + / (-)
Profit/(Loss) Net of Tax	1,036	719	44	1,238	2,383	(48)
Other Comprehensive Income	-	-		-	-	
Total Comprehensive Income/(Loss) for the Period	1,036	719	44	1,238	2,383	(48)
Total Comprehensive Income/(Loss) Attributable to Owners of the Parent	972	690	41	1,401	2,335	(40)
Total Comprehensive Income/(Loss) Attributable to Non-Controlling Interests	64	29	121	(163)	48	NM
Total Comprehensive Income/(Loss)	1,036	719	44	1,238	2,383	(48)

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 31/12/2017 S\$'000	As at 31/12/2016 S\$'000	As at 31/12/2017 S\$'000	As at 31/12/2016 S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	22,679	23,404	-	-
Investment Property	486	506	-	-
Investments in Subsidiaries	-	-	43,530	43,530
Other Financial Assets	1,818	-	261	-
Other Asset	50	50	-	-
Total Non-Current Assets	25,033	23,960	43,791	43,530
<u>Current Assets</u>				
Inventories	14,275	12,824	-	-
Trade and Other Receivables	7,096	5,845	17,785	17,017
Other Financial Assets	795	12	256	-
Cash and Cash Equivalents	57,225	60,470	2,470	2,942
Total Current Assets	79,391	79,151	20,511	19,959
Total Assets	104,424	103,111	64,302	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	34,275	33,897	5,340	4,536
Capital Reserve	575	575	-	-
Equity, Attributable to Owners of the Parent	93,568	93,190	64,058	63,254
Non-Controlling Interests	5,484	5,767	-	-
Total Equity	99,052	98,957	64,058	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	12	8	12	8
Trade and Other Payables	4,618	3,404	232	227
Total Current Liabilities	4,630	3,412	244	235
Total Liabilities	5,372	4,154	244	235
Total Equity and Liabilities	104,424	103,111	64,302	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 31/12/2017 S\$'000		As at 31/12/2016 S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31/12/2017 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			
	4Q FY2017 S\$'000	4Q FY2016 S\$'000	Year Ended 31/12/2017 S\$'000	Year Ended 31/12/2016 S\$'000
<u>Cash Flows from Operating Activities</u>				
Profit/(Loss) Before Tax	1,048	778	1,229	2,442
Adjustments for:				
Depreciation of Investment Property	6	5	20	20
Depreciation of Property, Plant and Equipment	541	106	2,175	425
Interest Income	(175)	(169)	(649)	(801)
Interest Expense	-	-	2	-
Impairment loss on other asset	-	50	-	50
Gain on Disposal of Plant and Equipment	3	-	(43)	(25)
Operating Cash Flows Before Changes in Working Capital	1,423	770	2,734	2,111
Inventories	(1,325)	102	(1,451)	4,157
Trade and Other Receivables	397	1,073	(1,251)	613
Trade and Other Payables	1,463	(1,336)	1,214	1,226
Net Cash Flows From Operations Before Interest and Tax	1,958	609	1,246	8,107
Income Taxes (Paid)/ Refund	(1)	(1)	13	(9)
Net Cash Flows From Operating Activities	1,957	608	1,259	8,098
<u>Cash Flows from Investing Activities</u>				
(Purchase)/Disposal of Other Financial Assets	(1,566)	-	(2,601)	1,007
Disposal of Plant and Equipment	22	1	133	55
Purchase of Property, Plant and Equipment	(25)	(4,289)	(1,540)	(15,855)
Interest Received	175	169	649	801
Net Cash Flows Used in Investing Activities	(1,394)	(4,119)	(3,359)	(13,992)
<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	-	(55)	-	(138)
Interest Paid	-	-	(2)	-
Net Cash Flows Used in Financing Activities	-	(55)	(1,145)	(2,008)
Net (Decrease)/Increase in Cash and Cash Equivalents	563	(3,566)	(3,245)	(7,902)
Cash and Cash Equivalents, Beginning Balance	56,662	64,036	60,470	68,372
Cash and Cash Equivalents, Ending Balance	57,225	60,470	57,225	60,470

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 for the Year ended 31 December 2017	1,238	1,401	-	-	-	1,401	(163)
Dividends paid	(1,143)	(1,023)	-	-	-	(1,023)	(120)
Closing Balance at 31 December 2017	99,052	93,568	58,856	(138)	575	34,275	5,484
	(a)						
Opening Balance at 1 January 2016	98,582	92,703	58,856	-	575	33,272	5,879
Total Comprehensive Loss for the Year ended 31 December 2016	2,383	2,335	-	-	-	2,335	48
Purchase of Treasury Shares	(138)	(138)	-	(138)	-	-	-
Dividends paid	(1,870)	(1,710)	-	-	-	(1,710)	(160)
Closing Balance at 31 December 2016	98,957	93,190	58,856	(138)	575	33,897	5,767
	(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 Year ended 31 December 2017	1,827	-	-	1,827
Dividends paid	(1,023)	-	-	(1,023)
Closing Balance at 31 December 2017	64,058	58,856	(138)	5,340
Opening Balance at 1 January 2016	63,956	58,856	-	5,100
Total Comprehensive Income for the Year ended 31 December 2016	1,146	-	-	1,146
Purchase of Treasury Shares	(138)	-	(138)	-
Dividends paid	(1,710)	-	-	(1,710)
Closing Balance at 31 December 2016	63,254	58,856	(138)	4,536

- 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 and subsidiary holdings held as at 31 December 2017. (31 December 2016 : 788,600)

ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

1(d)(iii) To show the total number of issued shares excluding treasury shares and subsidiary holdings as at the end of the current financial period and as at the end of the immediately preceding year

	Number of shares	
	As at 31/12/2017	As at 31/12/2016
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 31 December 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			
	4Q FY2017	4Q FY2016	Year Ended 31/12/2017	Year Ended 31/12/2016
Earnings/(Loss) per ordinary share for the period based on net profit/(loss) attributable to shareholders				
(a) Based on the weighted average number of ordinary shares in issue	0.28 cents	0.20 cents	0.41 cents	0.68 cents
Weighted average number of ordinary shares in issue (excluding treasury shares and subsidiary holdings)	341,128,887	341,689,643	341,128,887	341,689,643
(b) On a fully diluted basis	0.28 cents	0.20 cents	0.41 cents	0.68 cents
Weighted average number of ordinary shares in issue (excluding treasury shares and subsidiary holdings)	341,128,887	341,689,643	341,128,887	341,689,643

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 and subsidiary holdings of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year**

	Group		Company	
	As at 31/12/2017	As at 31/12/2016	As at 31/12/2017	As at 31/12/2016
Net asset value per ordinary share (cents) *	27.43	27.32	18.78	18.54

* The net asset value per ordinary share of the Group and the Company as at 31 December 2017 is computed based on the total number of issued shares (excluding 788,600 treasury shares and subsidiary holdings) of 341,128,887 (31 December 2016: 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 released by World Steel Association (worldsteel), global crude steel production grew 5.3% to 1,691.2 million tonnes (Mt) in 2017, compared to 2016. Crude steel production in Asia increased 5.4% to 1162.5 Mt in 2017 due mainly to output growth of 5.7% in China, which remained as the world's largest steel producer with a 49.2% share of world production.

In December 2017, the Chinese authorities announced another round of steel production restrictions from mid-November to mid-March in an attempt to reduce pollution during the winter months. According to a survey of 15 analysts surveyed by the Financial Times, these state-mandated restrictions will result in China's steel production growing by a modest 0.6% in 2018 compared to the world's expected annual production of 2.1%.

Consultant MEPS reported that due to the closure of hundreds of small and inefficient steel mills, Chinese steel selling figures were on an upward trajectory for the majority of 2017. As a result, Chinese steel manufacturers prioritized sales to the domestic market and reduced export volumes.

The Financial Times reported that with the latest round of restrictions, China's low production level could have a positive impact on the global steel market which was ravaged by a price collapse two years ago due to oversupply. A decrease in China's export volumes could restore balance and improve domestic prices in other regional steel markets in 2018.

(Sources: World Steel Association; The Financial Times, "Chinese steel production to slow sharply in 2018" published on 9 January 2018; MEPS, "China's Influence on the Global Steel Sector Persists" published on 21 December 2017)

Review of Statement of Comprehensive Income

Notwithstanding that end-user demand for steel products remained subdued, the Group delivered stable revenue and higher gross profit for the year ended 31 December 2017 ("FY2017"). This was attributed primarily to an increase in the average selling prices ("ASP") of the Group's steel products in line with the rising trend of international steel prices during FY2017.

Profit attributable to shareholders ("PATMI") in FY2017 was S\$1.4 million, compared to S\$2.3 million in FY2016. The decline was due mainly to the significant increase in depreciation expenses following the redevelopment of a warehouse.

However, the Group's PATMI before interest, tax and depreciation ("EBITDA") improved to S\$2.9 million in FY2017, compared to S\$2.0 million in FY2016.

The Group has proposed a final dividend per share of 0.5 cents with respect to FY2017. This represents a dividend payout of approximately 122.0% based on earnings per share of 0.41 cents.

The Group's balance sheet remained sound at the end of December 2017 with cash and cash equivalents of S\$57.2 million and zero borrowings. Its net asset value per share of 27.43 cents as at 31 December 2017 includes cash and cash equivalents of 16.78 cents per share and inventory with book value of 4.18 cents per share.

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)

Revenue

Revenue (\$\$ m)	1Q	2Q	3Q	4Q	Full Year
FY2017	5.2	9.7	9.4	6.5	30.8
FY2016	9.7	8.5	6.4	6.3	30.9
y-o-y change	(46%)	14%	48%	3%	0%

Group revenue for the three months ended 31 December 2017 ("4Q17") increased marginally to S\$6.5 million from S\$6.3 million in 4Q16, lifted primarily by higher ASP of steel products.

For the 12 months ended 31 December 2017 ("FY2017"), the Group registered relatively stable revenue of S\$30.8 million compared to S\$30.9 million in FY2016 as higher ASP compensated for lower overall sales volume during FY2017. Higher sales to the marine and offshore customers as well as other stockists and traders offset the decline in sales from other end-user segments in FY2017.

Revenue Breakdown by Industry

Industry	FY2017		FY2016		y-o-y
	(\$\$ m)	%	(\$\$ m)	%	%
Marine and Offshore	14.5	47	12.0	39	21
Engineering/fabrication	4.9	16	6.9	22	(29)
Construction	2.7	9	5.2	17	(48)
Stockists and traders	6.3	20	3.6	12	75
Manufacturing, precision metal stamping & Others	2.4	8	3.2	10	(25)
Total	30.8	100	30.9	100	(0)

Sales to the marine and offshore segment in FY2017 improved 21% to S\$14.5 million primarily on the back of higher ASP. The marine and offshore segment continued to account for the largest share of Group revenue with a contribution of 47% in FY2017. Sales to other stockists and traders also gained 75% to S\$6.3 million in FY2017, driven by higher sales volume and ASP.

On the other hand, sales to the engineering/fabrication and construction segments in FY2017 declined 29% and 48% to S\$4.9 million and S\$2.7 million respectively, due mainly to lower purchases of steel materials. As a result, the revenue contributions from the engineering/fabrication and construction segments shrank to 16% and 9% respectively in FY2017.

Revenue Breakdown by Geographical Market

Countries	FY2017		FY2016		y-o-y
	(\$\$ m)	%	(\$\$ m)	%	%
Singapore	15.3	50	18.6	60	(18)
Indonesia	12.1	39	7.7	25	57
Malaysia	0.8	3	1.6	5	(50)
Others	2.6	8	3.0	10	(13)
Total	30.8	100	30.9	100	(0)

N.B. Revenue breakdown is based on shipment destination

Sales to Indonesia increased to S\$12.1 million in FY2017 from S\$7.7 million in FY2016, due mainly to higher sales from customers in the marine and offshore segment. As a result, the revenue contribution from Indonesia expanded to 39% compared to 25% in FY2016.

Sales to the Singapore market however decreased by 18% to S\$15.3 million due mainly to lower sales to the engineering/fabrication, construction and manufacturing industries. Sales to Malaysia also declined in FY2017 due to lower volume of sales. The Singapore market accounted for 50% of Group revenue, down from 60% in FY2016 while Malaysia accounted for 3% of Group revenue in FY2017.

Gross Profit and Gross Profit Margin

Gross Profit (\$\$ m)		1Q	2Q	3Q	4Q	Full Year
	FY2017	1.6	2.6	2.4	1.9	8.6
Gross Profit Margin	FY2016	2.5	2.5	1.6	1.6	8.1
	FY2017	31.4%	27.0%	25.4%	29.7%	27.8%
Gross Profit Margin	FY2016	25.6%	29.1%	24.9%	25.4%	26.4%

Gross profit in 4Q17 increased 20% year-on-year to S\$1.9 million from S\$1.6 million in 4Q16. The Group's gross profit margin improved to 29.7% in 4Q17 from 25.4% in 4Q16 due mainly to higher ASP.

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)

For FY2017, the Group registered a higher gross profit of S\$8.6 million despite flat revenue due to an expansion in gross profit margin to 27.8% from 26.4% previously. This increase was attributed 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 4Q17, the Group recorded other income of S\$302,000 compared to S\$385,000 in 4Q16 due to absence of foreign exchange adjustment gain. For FY2017, other income declined to S\$819,000 from around S\$1.0 million in FY2016. The decrease was due mainly to the absence of a foreign exchange adjustment gain of S\$119,000 in FY2016.

Marketing and Distribution Costs and Administrative Expenses

Marketing and distribution costs in 4Q17 remained relatively steady at S\$60,000. Administrative expenses in 4Q17 were also unchanged at S\$1.1 million despite higher depreciation charges.

For FY2017, marketing and distribution costs of S\$0.3 million were similar to FY2016. Administrative expenses rose 19% or S\$1.2 million to S\$7.5 million from S\$6.3 million in FY2016, attributed mainly to an increase in depreciation charges. Depreciation charges increased by S\$1.8 million during FY2017 following the completion of a warehouse redevelopment. This was partially offset by the Group's efforts to keep a tight rein on other operating expenses.

Finance Costs and Other Losses

The Group did not incur any finance costs in 4Q17. Other losses in 4Q17 and FY2017 amounted to S\$45,000 and S\$366,000 respectively due mainly to foreign exchange adjustment loss.

Net Profit and Net Profit Margin

		1Q	2Q	3Q	4Q	Full Year
Net Profit / (Loss) Attributable to Equity Holders (\$ m)	FY2017	(0.6)	0.7	0.3	1.0	1.4
	FY2016	0.7	0.7	0.2	0.7	2.3
	y-o-y change	n.m.	(4%)	69%	41%	(40%)
Net Profit Margin	FY2017	n.m.	6.8%	1.7%	15.9%	4.0%
	FY2016	7.9%	8.8%	2.4%	11.4%	7.7%

The Group's net profit attributable to equity holders ("PATMI") increased to S\$1.0 million in 4Q17 from S\$0.7 million in 4Q16. For FY2017, the Group posted a lower PATMI of S\$1.4 million compared to S\$2.3 million in FY2016. This was attributed primarily to depreciation charges which rose by S\$1.8 million during FY2017.

However, the Group's PATMI before interest, tax and depreciation ("EBITDA") improved to S\$2.9 million in FY2017, compared to S\$2.0 million in FY2016. The increase was attributed mainly to higher gross profit coupled with lower operating expenses. These offset a negative swing of S\$0.5 million arising from the foreign exchange loss of S\$0.4 million in FY2017 versus a gain of S\$0.1 million in FY2016.

Dividend

The Board of Directors is recommending a final dividend payment of 0.5 cents per share with respect to FY2017. The proposed dividend is subject to shareholders' approval at the Company's annual general meeting.

Review of Financial Position

Statement of Financial Position as at 31 December 2017

As at 31 December 2017, the Group's shareholders' equity (excluding treasury shares) stood at S\$93.6 million, which translated to net asset value of 27.43 cents per share. The Group had cash and cash equivalents of S\$57.2 million with zero borrowings at the end of December 2017.

Property, plant and equipment decreased slightly to S\$22.7 million from S\$23.4 million as at 31 December 2016 due to depreciation charges.

Trade and other receivables increased to S\$7.1 million from S\$5.8 million at the end of December 2016 due to a higher proportion of sales on credit terms.

Inventories (measured on a weighted average cost basis) as at 31 December 2017 increased marginally to S\$14.3 million from S\$12.8 million at the end of December 2016 due mainly to higher cost of inventory replenishment.

Other financial assets as at 31 December 2017 stood at S\$2.6 million which arose from investment in fixed-income securities.

Trade and other payables increased to S\$4.6 million from S\$3.4 million as at 31 December 2016 in tandem with the increase in cost of inventory replenishment.

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 generated net cash from operating activities of S\$1.3 million during FY2017. This was attributed mainly to operating cash flows before changes in working capital of S\$2.7 million offset by net working capital outflows of S\$1.5 million.

Net cash used in investing activities during FY2017 amounted to approximately S\$3.4 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 FY2017 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\$57.2 million as at 31 December 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 9 November 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

Due to ongoing uncertainty and uneven demand conditions in the major steel end-user markets in Singapore and the region, particularly the offshore and marine sector, 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.

Despite difficult business conditions, the Group remains committed to rewarding its shareholders and has recommended the payment of a final dividend of 0.5 cents per share for FY2017. Since its public listing on the Singapore Exchange in 2005, Asia Enterprises has consistently paid dividends representing at least 40% of its earnings every year to reward shareholders for their continuous support.

The Group will continue to closely engage its customers, keep abreast of market trends and adopt a flexible sales strategy in line with the market's demand trends. The Group will also remain financially prudent in its expenses and inventory procurement decisions, while staying vigilant on its credit exposure to safeguard its financial position.

With a sound balance sheet backed by cash of S\$57.2 million and zero debt, the Group is able to withstand periods of challenging market conditions and well-positioned to capitalise on business opportunities when there is a sustained recovery in demand from the major steel consuming industries.

ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

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)	:	0.5 cents 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)	:	0.3 cents 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 31/12/2017 S\$'000	Year Ended 31/12/2016 S\$'000
Penta Transport Services	175	160

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

The Company has no IPT general mandate.

ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

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 2017	Steel Distribution \$'000	Provision of steel processing \$'000	Corporate \$'000	Unallocated \$'000	Total \$'000
Revenue by Segment					
Total revenue by segment	27,063	4,378	55	-	31,496
Inter-segment sales	(141)	(502)	(55)	-	(698)
Total revenue	<u>26,922</u>	<u>3,876</u>	<u>-</u>	<u>-</u>	<u>30,798</u>
Recurring EBITDA	3,356	(242)	(379)	-	2,735
Depreciation	(1,900)	(295)	-	-	(2,195)
Interest income				649	649
Finance costs				(2)	(2)
ORBIT *	<u>1,456</u>	<u>(537)</u>	<u>(379)</u>	<u>647</u>	<u>1,187</u>
Other unallocated items					43
Profit before tax from continuing operations					<u>1,230</u>
Income tax expense					8
Profit from continuing operations					<u>1,238</u>
Non-controlling interests					<u>163</u>
Profit attributable to owners of the parent					<u>1,401</u>
Other Material Items and Reconciliations:-					
Expenditure for non-current assets	1,323	217	-	-	1,540
Depreciation expense	1,900	295	-	-	2,195
Write-back of trade receivables	-	127	-	-	127
Write-off of trade receivables	-	-	-	-	-
Impairment loss on other asset	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assets and Reconciliations					
Total assets for reportable segments	87,327	13,863	2,986	-	104,176
Unallocated corporate assets				248	248
Total group assets	<u>87,327</u>	<u>13,863</u>	<u>2,986</u>	<u>248</u>	<u>104,424</u>
Liabilities and Reconciliations					
Total liabilities for reportable segments	4,094	124	232	-	4,450
Unallocated corporate liabilities:-					
Other payables				168	168
Income tax payable				12	12
Deferred tax liabilities				742	742
Total group liabilities	<u>4,094</u>	<u>124</u>	<u>232</u>	<u>922</u>	<u>5,372</u>
Information about major customers:-					
Top 1 customer	3,527	-	-		3,527
Top 2 customers	<u>6,743</u>	<u>-</u>	<u>-</u>		<u>6,743</u>

ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

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 2016	Steel Distribution \$'000	Provision of steel processing \$'000	Corporate \$'000	Unallocated \$'000	Total \$'000
Revenue by Segment					
Total revenue by segment	26,153	5,279	56	-	31,488
Inter-segment sales	(61)	(492)	(55)	-	(608)
Total revenue	<u>26,092</u>	<u>4,787</u>	<u>1</u>	<u>-</u>	<u>30,880</u>
Recurring EBITDA	2,329	126	(394)	-	2,061
Depreciation	(172)	(273)	-	-	(445)
Interest income				801	801
ORBIT *	<u>2,157</u>	<u>(147)</u>	<u>(394)</u>	<u>801</u>	<u>2,417</u>
Other unallocated items					25
Loss before tax from continuing operations					2,442
Income tax refund					(59)
Loss from continuing operations					2,383
Non-controlling interests					(48)
Loss attributable to owners of the parent					<u>2,335</u>
Other Material Items and Reconciliations:-					
Expenditure for non-current assets	15,705	150	-	-	15,855
Depreciation expense	172	273	-	-	445
Write-back of trade receivables	(105)	-	-	-	(105)
Write-off of trade receivables	65	-	-	-	65
Impairment loss in other asset	<u>-</u>	<u>50</u>	<u>-</u>	<u>-</u>	<u>50</u>
Assets and Reconciliations					
Total assets for reportable segments	84,803	15,128	2,943	-	102,874
Unallocated corporate assets				237	237
Total group assets	<u>84,803</u>	<u>15,128</u>	<u>2,943</u>	<u>237</u>	<u>103,111</u>
Liabilities and Reconciliations					
Total liabilities for reportable segments	3,019	133	227	-	3,379
Unallocated corporate liabilities:-					
Other payables				25	25
Income tax payable				8	8
Deferred tax liabilities				742	742
Total group liabilities	<u>3,019</u>	<u>133</u>	<u>227</u>	<u>775</u>	<u>4,154</u>
Information about major customers:-					
Top 1 customer	<u>3,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,435</u>

ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

- 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
2017				
Singapore	21,638	25,033	103,750	1,540
Indonesia	6,458	-	464	-
Malaysia	782	-	189	-
Other regions	1,920	-	21	-
	<u>30,798</u>	<u>25,033</u>	<u>104,424</u>	<u>1,540</u>
	Revenue \$'000	Segment non-current assets \$'000	Segment assets \$'000	Capital expenditure \$'000
2016				
Singapore	21,016	23,960	101,395	15,855
Indonesia	5,963	-	1,075	-
Malaysia	1,531	-	409	-
Other regions	2,370	-	232	-
	<u>30,880</u>	<u>23,960</u>	<u>103,111</u>	<u>15,855</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 31/12/2017 S\$'000	Year ended 31/12/2016 S\$'000	Increase/ (Decrease) %
First Half			
Sales reported for first half year	<u>14,886</u>	<u>18,185</u>	(18)
Profit/(Loss) after tax and before minority interest for first half year	<u>41</u>	<u>1,512</u>	(97)
Second Half			
Sales reported for second half year	<u>15,912</u>	<u>12,695</u>	25
Profit/(Loss) after tax and before minority interest for second half year	<u>1,197</u>	<u>871</u>	37

- 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	1,706	1,023
Preference	-	-
Total	<u>1,706</u>	<u>1,023</u>

The above latest full year dividend amounts are estimated based on number of issued shares (excluding treasury shares) as at 31 December 2017.

ASIA ENTERPRISES HOLDING LIMITED

(Company Registration No. 200501021H)

- 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	59	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	45	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

19 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
6 February 2018