ASIA ENTERPRISES HOLDING LIMITED

ANNUAL REPORT 2023

CORPORATE PROFILE

Asia Enterprises Holding Limited ("Asia Enterprises" or the "Company" and together with its subsidiaries, the "Group") is a major distributor of a comprehensive range of steel products to industrial end-users in Singapore and the Asia-Pacific region.

With operating history dating back to 1973, Asia Enterprises provides a wide range of steel products that is complemented by its value-added steel processing services to offer 'one-stop' solutions and just-in-time delivery to its customers. Today, the Group has a ready inventory consisting of more than 1,200 steel products that it supplies to over 700 active customers involved primarily in the marine and offshore, oil and gas, construction, engineering/fabrication and manufacturing industries. The Group has forged a strong reputation as a reliable distributor of steel products to the marine and offshore industries.

Asia Enterprises presently owns two facilities in Singapore – a multi-storey warehouse and a steel processing plant-cum-warehouse – with a total combined land area of 33,769 square metres. To complement its steel distribution business, the Group also provides precision steel processing services.

The Group was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 1 September 2005.

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MESSAGE TO SHAREHOLDERS

DEAR SHAREHOLDERS,

The macroeconomic environment remained depressed during the Group's financial year ended 31 December 2023 ("FY2023") due to ongoing global economic and geopolitical uncertainties. Notwithstanding this market backdrop and a downtrend in international steel prices, the Group managed to deliver its strongest set of financial results in over a decade.

For FY2023, the Group reported a 62% jump in net profit to $6.1 million from $3.7 million in FY2022. This was achieved on the back of 30% growth in Group revenue to $95.5 million compared to $73.5 million in FY2022. The robust topline performance was driven by a general improvement in demand for steel from the marine and offshore segment, albeit a slowdown in the pace of orders during the second half of the year.

To share the Group's improved set of results with shareholders, the Board of Directors has recommended the payment of a higher final dividend of 1.0 cent per share for FY2023, compared to 0.8 cent in FY2022. The proposed dividend translates to a payout of 56.2% of the Group's net profit for FY2023 and reaffirms our longstanding commitment to reward shareholders for their support. Since the Company's listing on the Singapore Exchange in 2005, Asia Enterprises has consistently distributed dividends representing at least 40% of earnings every year.

The marine & offshore segment emerged as the key catalyst for the Group's stellar performance in FY2023. This segment registered a 41% increase in sales to $81.5 million, lifted mainly by higher demand from shipyards. Indeed, the marine and offshore segment contributed significantly to the growth in the Group's overall sales tonnage and helped to offset the impact of lower average selling prices ("ASP") which eased during FY2023 in tandem with international steel prices.

The marine and offshore segment continued to account for the largest proportion of Group revenue with a contribution of 85% in FY2023. Sales to the construction segment also rose to $2.3 million in FY2023 from $1.9 million in FY2022, and contributed 2% to Group revenue. However, sales to the engineering/fabrication segment dipped 6% to $7.5 million in FY2023 due mainly to lower ASP. This segment accounted for 8% of Group revenue in FY2023.

In terms of geographical markets, sales to our customers in Indonesia rose 49% to $46.2 million in FY2023 from $31.0 million in FY2022. This was spurred by higher steel requirements for newbuilding and repair activities at our customers' shipyards. Accordingly, the revenue contribution from the Indonesia segment expanded to 48% in FY2023 compared to 42% in FY2022.

Sales to the Singapore market, which comprise sales of steel products shipped to both domestic and overseas destinations of Singapore-headquartered customers, climbed 21% to $47.5 million in FY2023 due to higher sales tonnage. The Singapore segment accounted for 50% of Group revenue in FY2023. Revenue derived from the Malaysia market was $1.6 million and made up the remaining 2% of Group revenue in FY2023.

While the Group reported a strong performance for FY2023, we will continue to adopt a cautious approach going forward due to the prevailing global uncertainties that are clouding business outlook. According to the World Economic Forum Annual Meeting in January 2024, the world's economy is generally expected to weaken this year. In addition, high interest rates, tight credit markets, inflationary pressures and rising geopolitical tensions threaten further risks to the economy.

Companies engaged in steel distribution are also expected to face uncertain business conditions. Due to the ongoing volatility of international steel prices, the demand and purchasing patterns of steel end-users may remain unpredictable. This is because changes in steel prices have an impact on the economic viability of projects of steel-intensive industries such as shipbuilding and construction. Moreover, high interest rates and restrictive accessibility to financing will also affect project pipelines of steel end-users.

To ensure the Group is prepared for potential opportunities and challenges in the global business environment, we will continue working on our business development plans and marketing efforts to sustain and build new customer relationships. At the same time, we intend to maintain a tight control on operating expenses and remain vigilant of our credit management. We will also continue to take a prudent approach in inventory management while ensuring there is sufficient steel inventory and mix of products to meet the project requirements of our customers.

We believe this measured approach will help to assure a sound, balance sheet and build financial resilience for the Group to overcome any difficult business cycles.

On behalf of the Board, we would like to thank our shareholders, valued customers, principal banks, business partners and suppliers for their continued support. We would also like to express our appreciation to our fellow Directors, management and staff for their commitment and invaluable contributions to Asia Enterprises over the years.

LEE BON LEONG
Independent,
Non-Executive Chairman

LEE YIH CHYI, YVONNE
Managing Director

FINANCIAL AND BUSINESS REVIEW

FINANCIAL REVIEW

Notwithstanding the weak macroeconomic environment and downtrend in international steel prices during FY2023, the Group delivered its strongest set of financial results over the past decade on the back of higher steel demand from the marine and offshore segment.

As a result, Group revenue increased 30% to $95.5 million in FY2023 from $73.5 million in FY2022. This was driven mainly by higher volume of sales tonnage as average selling prices ("ASP") have generally eased during FY2023 as compared to FY2022, in tandem with a decline in international steel prices.

The Group's gross profit improved 13% to $15.4 million in FY2023 from $13.6 million in FY2022. This translated into a lower gross profit margin of 16.2% in FY2023 compared to 18.5% in FY2022, attributable mainly to the lower ASP during FY2023.

The Group's gross profit margin typically fluctuates across different financial reporting periods. 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. Movements in international steel prices and the US Dollar versus the Singapore Dollar affect the cost of replenishing inventory and the market selling prices of steel products, which invariably have an influence on the Group's gross profit margin.

Other income and gains in FY2023 increased to $1.6 million from $0.9 million in FY2022, attributed mainly to higher interest income.

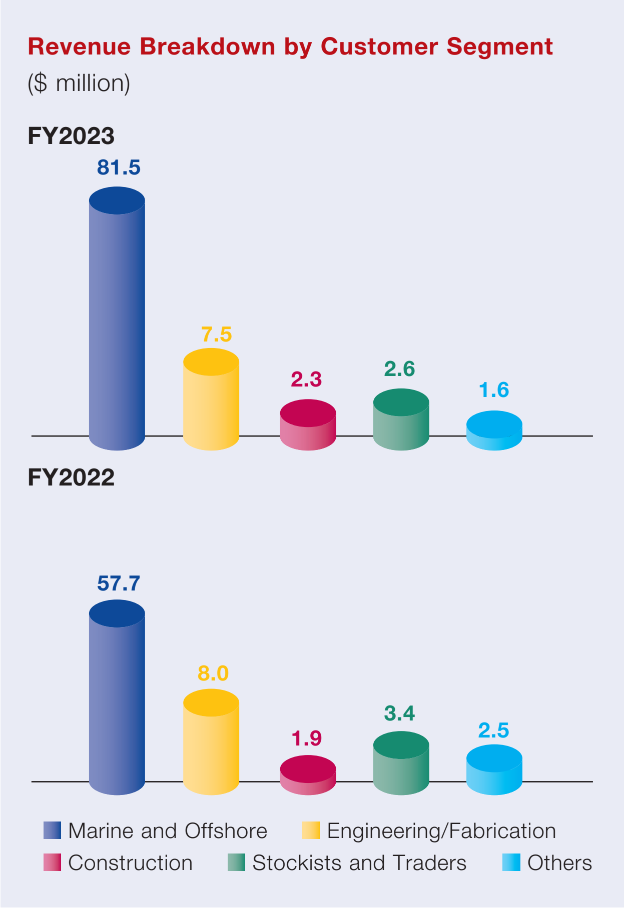
Marketing and distribution costs in FY2023 increased to $1.1 million from $0.7 million in FY2022. This was due to higher cost of freight and handling services to support higher customers' orders and the impact of inflationary cost pressures. Administrative expenses increased slightly by 7% to $7.3 million in FY2023, compared to $6.8 million in FY2022, due mainly to higher staff-related expenses.

In line with the adoption of SFRS(I) 16, the Group recognised non-cash interest expense on lease liabilities of around $0.3 million in FY2023. Other losses in FY2023 were down significantly to $0.6 million from $1.2 million in FY2022, due mainly to a decline in losses from investments measured at fair value through profit or loss (FVTPL).

The Group reported a 42% increase in profit before tax ("PBT") to $7.8 million in FY2023 from $5.5 million in FY2022 on the back of increased revenue, higher other income and reduction in other losses.

Despite the higher PBT, income tax expenses in FY2023 of $1.7 million were comparable to FY2022. This was because PBT in FY2022 contained higher provision for other losses which are non-deductible expenses' and differences in adjustments to tax with respect to prior periods. As a result, the Group's net profit for FY2023 rose by a significant 62% to $6.1 million from $3.7 million in FY2022.

On a segmental basis, the Group recorded operating results before interest and tax ("ORBIT") of $6.8 million from its steel distribution business in FY2023, an increase from $5.4 million in FY2022. Its steel processing business registered ORBIT of $0.2 million in FY2023 compared to $0.03 million in FY2022.



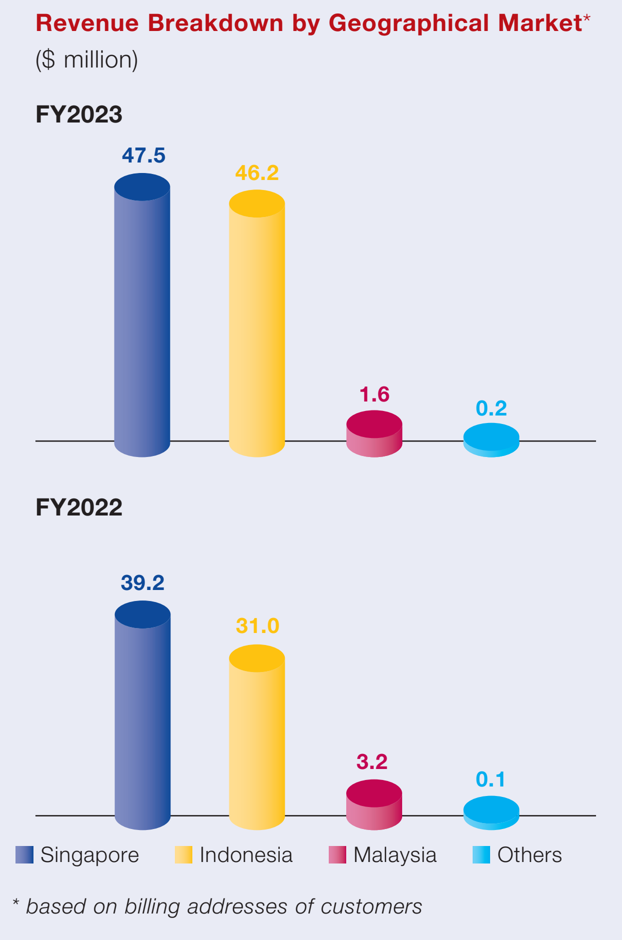
The Board of Directors has recommended a first and final dividend payment of 1.0 cent per share with respect to FY2023 (FY2022: 0.8 cent per share). The proposed dividend is subject to shareholders' approval at the Company's annual general meeting.

The Group's balance sheet remained sound as at 31 December 2023 with cash and cash equivalents of $41.9 million and zero borrowings. Shareholders' equity (excluding treasury shares) stood at $100.5 million as at 31 December 2023. The Group had net asset value of 29.5 cents per share that included cash and cash equivalents of 12.3 cents per share and inventory with book value of 7.8 cents per share.

As at 31 December 2023, property, plant and equipment decreased to $12.3 million from $14.0 million as at 31 December 2022 due mainly to depreciation charges. In line with the SFRS(I) 16, the present value of the operating lease payment commitments for the Group's warehouse facilities are recognised on its balance sheet as right-of-use assets and lease liabilities. As at 31 December 2023, the Group's right-of-use assets and lease liabilities stood at $7.9 million and $8.5 million respectively.

Other financial assets as at 31 December 2023 decreased to $8.1 million compared to $10.4 million as at 31 December 2022, due to redemption of financial instruments on maturity.

FINANCIAL AND BUSINESS REVIEW



Trade and other receivables decreased to $18.1 million as at 31 December 2023 from $19.5 million as at 31 December 2022, attributed mainly to lower sales in 2H23.

Non-current and current provisions as at 31 December 2023 were unchanged at $2.0 million.

Trade and other payables arose mainly from purchases of inventories and services from third parties on credit terms. Trade and other payables as at 31 December 2023 decreased to $1.8 million from $4.0 million as at 31 December 2022 due mainly to settlement of outstanding expenses. Other non-financial liabilities reduced to nil as at 31 December 2023 from $6.2 million as at 31 December 2022, following the fulfillment of orders for deferred sales received in advance from customers. The Group recognised $0.07 million as unrealised forward foreign exchange contracts losses as at 31 December 2023 due to foreign exchange rate fluctuations.

BUSINESS REVIEW

Performance by Customer Segment

Asia Enterprises is a leading steel distributor to the marine and offshore sector, and supplies a wide variety of steel products to shipyards in the region for newbuilds, repairs, conversions and offshore marine-related activities. The Group also serves customers in the construction, engineering/fabrication and manufacturing industries.

In FY2023, the marine and offshore segment registered a 41% increase in sales to $81.5 million, driven mainly by higher demand from shipyards which moderated the impact of softer ASP. This segment continued to account for the largest proportion of Group revenue with a contribution of 85% in FY2023 (FY2022: 79%).

Sales to the engineering/fabrication segment dipped 6% to $7.5 million in FY2023. While there was an increase in volume of purchases of steel materials by customers for their projects, this was offset by lower ASP. The engineering/fabrication segment accounted for 8% of Group revenue in FY2023 (FY2022: 10%).

The Group recorded higher sales to customers in the construction sector of $2.3 million in FY2023 compared to $1.9 million in FY2022. This was attributed mainly to increased orders in tandem with higher activity of customers' projects. Sales to this segment made up 2% of Group revenue in FY2023 (FY2022: 3%).

Performance by Geographical Market

The Group serves over 700 active customers across the Asia Pacific region. Singapore, Indonesia and Malaysia are its primary geographical markets.

In FY2023, the Group's sales to customers in Singapore climbed 21% to $47.5 million from $39.2 million in FY2022, lifted mainly by higher sales tonnage. Billings to customers in Singapore include sales that are shipped to domestic and overseas destinations. The Singapore segment accounted for 50% of Group revenue in FY2023 (FY2022: 53%).

Sales to customers in Indonesia in FY2023 jumped 49% to $46.2 million from $31.0 million in FY2022. This was driven by higher volume of sales to shipyards there as demand grew in tandem with newbuilding and repair activities. As a result, the revenue contribution from the Indonesia segment expanded to 48% in FY2023 (FY2022: 42%).

Revenue derived from the Malaysia market decreased to $1.6 million in FY2023 from $3.2 million in FY2022 as a result of lower customer orders and ASP. This market made up 2% of Group revenue in FY2023 (FY2022: 4%).

Inventory Management

Asia Enterprises' inventories are measured on a weighted average cost basis and comprise primarily the stock of steel materials that the Group replenishes and holds for sale to customers as part of its core steel distribution business. The Group's inventory procurement decisions are based on its assessment of customers' ongoing needs as well as the demand and supply conditions of the steel industry. Purchases by the Group to replenish inventories generally have a delayed impact on the Group's weighted average cost of inventory due to delivery lead time of the products, which is typically around two to three months.

As at 31 December 2023, inventories decreased to $26.8 million from $34.2 million as at 31 December 2022 in tandem with the Group's sales and inventory replenishment activities, as well as the decline in international steel prices. Inventory turnover for FY2023 was around 122 days compared to 208 days for FY2022.

FINANCIAL HIGHLIGHTS

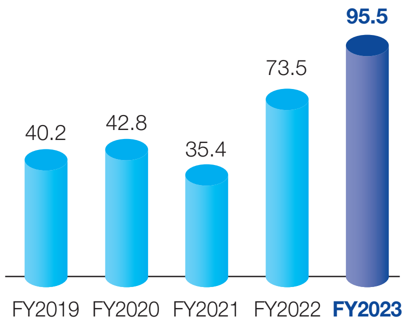
FINANCIAL YEAR ENDED 31 DECEMBER

($ million)	FY2023	FY2022	Change
Revenue	**95.5**	73.5	30%
Gross Profit Margin	**16.2%**	18.5%	(2.3) ppt
Profit Before Tax	**7.8**	5.5	42%
Net Profit	**6.1**	3.7	62%
Net Gearing	**Zero borrowings**	Zero borrowings	

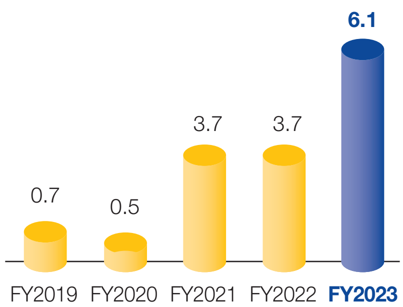
Per Share Data*		
Earnings Per Share (Cents)	**1.78**	1.10
Proposed Dividend Per Share (Cents)	**1.0**	0.8
Net Asset Value Per Share (Cents)	**29.5**	28.5

** Based on issued share capital of 341,128,887 shares (excluding treasury shares and subsidiary holdings)*

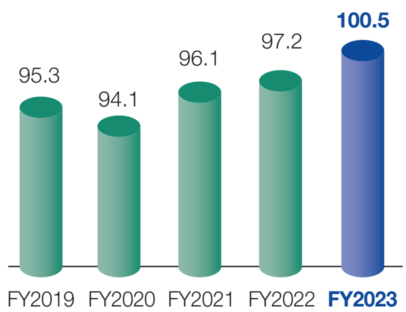
Revenue ($ million)



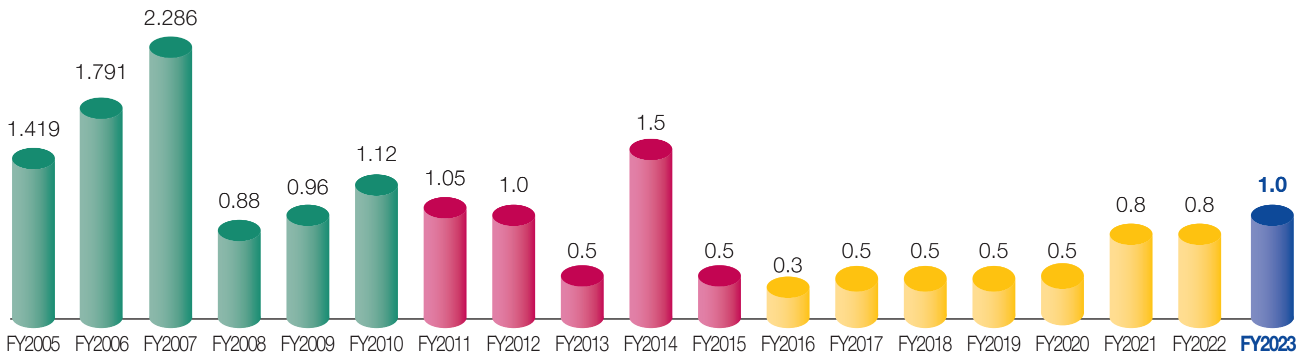
Net Profit ($ million)



Shareholders' Equity ($ million)



Dividend Payments (cents per share)



BOARD OF DIRECTORS

LEE BON LEONG, PBM, BBM, JP (Retired)

Independent, Non-Executive Chairman

Lee Bon Leong, 77, was appointed as an Independent Director on 3 May 2012 and was last re-elected on 24 April 2023. He is Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. Mr Lee is the Founding Consultant in Lee Bon Leong & Co (Advocates & Solicitors) and has retired from practice. Appointed as a Justice of the Peace in Singapore since November 1998, Mr Lee previously served as a member of the Board of Visiting Justices and the Board of Inspection. Mr Lee is the Chairman of the Home Detention Advisory Committee. He is also the Chairman of the Board of Visitors for the SCDF and the SPF Detention Barracks. He is the Independent and Non-Executive Chairman of Megachem Limited. Mr Lee holds a Master of Laws degree from the University of Singapore.

LEE YIH CHYI, YVONNE

Managing Director

Lee Yih Chyi, Yvonne, 54, was appointed to the Board on 22 July 2005. She was last re-elected on 21 April 2022. Ms Lee is primarily responsible for the overall management and business operations of our Group. She joined our Group on 1 May 2003 as General Manager. Prior to that, Ms Lee was General Manager at Metal Commerz Pte Ltd where she was responsible for trading, operations and office administration. From 1995 to 1999, she was a Senior Manager in-charge of steel trading and operations at VSST Far East Pte Ltd. Ms Lee holds a Master of Business Administration from the Charles Sturt University, Australia.

TAN KEH YAN, PETER

Lead Independent Director

Tan Keh Yan, Peter, 75, was appointed as an Independent Director on 22 July 2005. He was last re-elected on 24 April 2023. Mr Tan has been the Lead Independent Director since 28 January 2014. He is Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees. From 2001 to 2003, Mr Tan was a Managing Director of the Enterprise Banking department in DBS Bank Ltd, where he was responsible for business development of banking solutions to small and medium-sized enterprises. Prior to that, Mr Tan was the Executive Director of DBS Finance Ltd from 1998 to 2001. He is currently the Lead Independent Director of Aspial Lifestyle Ltd. He holds a Master of Business Administration from the University of California, Los Angeles.

KOH WEE KIANG

Independent Director

Koh Wee Kiang, 71, was appointed as an Independent Director on 8 April 2020. He was last re-elected on 21 April 2022. He is Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. Mr Koh has over 30 years' experience in the financial industry and has served in senior positions in subsidiaries of DBS Group, including as CEO of DBS Trading Pte. Ltd from 1995 to 2002 and a Senior Director of DBS Securities Pte Ltd. He is the Founding Director of Candoer Pte Ltd, a consulting company. He holds a Bachelor of Accountancy from the University of Singapore, and a Diploma in Financial Management from the Graduate School of Business Administration at New York University/National Productivity Board.

LEE YIH HWAN

Non-Executive Director

Lee Yih Hwan, 52, was appointed as Non-Executive Director on 1 January 2021. He was last re-elected on 22 April 2021. With significant experience in the financial industry, Mr Lee is Group Corporate Treasurer of Maybank Group since 2014. Prior to this, he was Head of Global Markets and a member of the Singapore Management Committee at Maybank Singapore from 2013 to 2015. Mr Lee also held senior positions as Head of Cross Market Trading and Head of Asset & Liability Management at Maybank Singapore between 2010 and 2013. He holds a Bachelor of Arts (Honours) degree in Accounting and Finance from the University of Leeds, United Kingdom.

BOARD OF DIRECTORS

CHOO BOON TIONG

Independent Director

Choo Boon Tiong, 70, was appointed as an Independent Director on 1 February 2024. He has over 40 years of experience in the financial services industry, having held senior positions as Managing Director at IFS Capital Ltd (previously known as International Factors (Singapore) Ltd), Chief Executive Officer/Director of PB International Factors Sdn Bhd, and Director/Chairman, Asian Chapter of the International Factors Group SCRL (Belgium). Mr Choo currently runs his own financial consultancy, Kyra Capital Pte Ltd and serves on the board of Solve Education Foundation Ltd, a non-profit organisation. He holds a Bachelor of Arts degree from the University of Singapore.

NEO GIM KIONG

Independent Director

Neo Gim Kiong, 54, was appointed as an Independent Director on 1 February 2024. He is the Managing and Founding Director of Bizmen Corporation Pte Ltd and Dollar Tree Inc Pte Ltd focusing on corporate business advisory activities for SMEs in Singapore since 2004. Mr Neo is an Independent Director and Chairman of Acesian Partners Limited (listed on SGX-Catalist), an Independent Director of Ban Leong Technologies Ltd (listed on SGX Mainboard) and also holds directorships in other non-listed entities. He graduated with a Bachelor of Science (Honours) degree in Mathematics from the National University of Singapore in 1993.

EXECUTIVE OFFICERS

THANG KOON TEE

Group Financial Controller

Thang Koon Tee joined Asia Enterprises on 12 April 2021 and is responsible for the Group's financial management and accounting functions. Prior to joining us, Ms Thang was General Manager, Finance of Singapore LNG Corporation Pte Ltd and was one of the pioneers in the setup of its financial processes and governance practices. Ms Thang's previous appointments include Finance Director of Wildlife Reserves Singapore where she also oversaw finance transformation and business development and served as its Joint Company Secretary, Group Financial Controller of Singapore Computer Systems Limited, and Audit Senior at Ernst & Young. She holds a Bachelor of Accountancy from the National University of Singapore/ Nanyang Technological Institute and is a Chartered Accountant of the Singapore Institute of Chartered Accountants.

TEO KAH KHENG

General Manager (Head of Sales)

Teo Kah Kheng is General Manager (Head of Sales) for Asia Enterprises (Private) Limited with the responsibility of formulating sales strategies and sales targets of our steel distribution business. Mr Teo started his career with us in 1978 as a shipping clerk and was promoted to sales manager in 1986. After leaving in 1987 for private pursuits, Mr Teo returned to the Group between 1988 and 1993 as well as 1997 and 2006, and served as sales manager and General Manager (Head of Sales) at various periods. In May 2016, the Group invited Mr Teo to return to Asia Enterprises.

LEE YIH LIN

General Manager

Lee Yih Lin joined Asia Enterprises (Private) Limited as our General Manager in 2006. Mr Lee is responsible for our Group's business development, as well as sales and marketing functions. He is also responsible for the identification and negotiations for viable projects and businesses that are in line with our Group's directives. Prior to joining Asia Enterprises, Mr Lee was the Deputy General Manager of an aircraft component repair facility in Chengdu, China since 2004 where he was in-charge of business development, and partnerships with US and European OEMs. He obtained his Master of Science degree in Business and Manufacturing Management from the University of Hertfordshire, England.

LEE CHOON YAM

Head of Production

Lee Choon Yam joined our Group since 1979. He is currently the Head of Production and is in-charge of production and facilities maintenance. Mr Lee was formerly our factory manager and has more than 30 years of experience in steel processing production and factory administration.

CORPORATE GOVERNANCE

INTRODUCTION

The Board of Directors of Asia Enterprises Holding Limited (the "Company" or "Asia Enterprises" and together with its subsidiaries, "the Group") is committed to upholding high standards of corporate governance, accountability and transparency to protect and enhance the interests of shareholders. In this respect, the Company adopts corporate governance practices based on the Principles and Provisions set out in the Singapore Code of Corporate Governance 2018 (the "Code"). The Group also ensures that all applicable laws, rules and regulations including the Securities and Futures Act and the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual are duly complied with.

This report describes Asia Enterprises' corporate governance policies and practices for the financial year ended 31 December 2023 ("FY2023") with specific reference made to the principles and provisions of the Code. This report also includes disclosure requirements under the Best Practices Guide and the Interested Person Transactions in the SGX-ST Listing Manual.

The Company is required under Rule 710 of the SGX-ST Listing Manual to describe its corporate governance practices with specific reference to the principles of the Code and disclose any deviation from the provisions of the Code together with an appropriate explanation for such deviation in this Annual Report.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Company is headed by an effective Board comprising individuals with diverse backgrounds and who collectively bring with them a wide range of experience. The Board leads and oversees the business affairs of Asia Enterprises and sets the strategic direction and performance objectives of the Group as well as considers sustainability issues as part of its strategic formulation and ensures that the necessary financial and human resources are in place for the Company to meet its objectives. In addition, the Board ensures that obligations to shareholders and other stakeholders are understood and met, as well as identifies the key stakeholder groups and recognises that their perceptions affect the Company's reputation.

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company and hold Management accountable for performance. In addition, the Board sets the Company's values and standards (including code of conduct and ethical standards), defines appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board regularly reviews and approves half yearly and annual results announcements, annual audited financial statements for the Group and the Directors' Statement thereto, and other corporate announcements via SGXNet. It also assumes responsibility for approving the Group's financial plans and annual budget, material acquisitions and disposals of assets, corporate or financial restructuring, risk management and internal control systems, corporate governance practices and any investments or expenditures exceeding set material limits to meet its objectives.

Four (4) scheduled Board meetings are conducted during the financial year to review the Group's financial performance and to update the Board on significant business activities and the overall business environment. In addition to the scheduled meetings, the Board also holds ad hoc meetings as and when required to address any significant issues that may arise. The Company's Constitution provides for Directors to participate in Board and Board Committees meetings by means of telephonic conference, video conferencing or other similar communications equipment. Directors with multiple Board representations would ensure that sufficient time and attention are given to the affairs of the Company.

CORPORATE GOVERNANCE

The attendance of Directors at the Board and Board Committees meetings for FY2023 is as follows:

Name of Director	Board Meeting		Audit Committee		Remuneration Committee		Nominating Committee		General Meeting	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Lee Bon Leong	4	4	4	4	1	1	1	1	1	1
Lee Yih Chyi, Yvonne	4	4	4*	4*	1*	1*	1*	1*	1	1
Tan Keh Yan, Peter	4	4	4	4	1	1	1	1	1	1
Koh Wee Kiang	4	4	4	4	1	1	1	1	1	1
Lee Yih Hwan	4	4	4*	4*	1*	1*	1*	1*	1	1
Choo Boon Tiong(1)	4	–	4*	–	1*	–	1*	–	1	–
Neo Gim Kiong(2)	4	–	4*	–	1*	–	1*	–	1	–

Note:
* By invitation
(1) Choo Boon Tiong, Independent Director, was appointed to the Board on 1 February 2024.
(2) Neo Gim Kiong, Independent Director, was appointed to the Board on 1 February 2024.

The Board is supported by three (3) Board Committees to assist the Board in discharging its responsibilities and to enhance the Group's corporate governance framework. The Board Committees include the Audit Committee ("AC"), the Remuneration Committee ("RC") and the Nominating Committee ("NC"). Each Board Committee is chaired by an Independent Director. Each Board Committee has its own defined terms of reference which sets out the respective Board Committee's compositions, authorities and duties.

The Board recognises the importance of appropriate training for its Directors. Newly appointed directors are provided with a company orientation and are fully briefed on the Group's business activities, strategic direction and performance objectives. Directors are provided with training opportunities in areas such as accounting, legal and industry-specific knowledge as appropriate. Arrangements are made for first-time directors with no prior experience of serving as a director in a listed company ("First-Time Director") to attend mandatory training conducted by The Singapore Institute of Directors in accordance to Rule 201(5) of the SGX-ST Listing Manual, at the expense of the Company. New incoming directors will receive a formal letter explaining their statutory duties and responsibilities as a director.

The Board as a whole is updated regularly on changes to the Listing Rules and the Code, risk management, corporate governance, insider trading, as well as key changes in the relevant regulatory requirements, international financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or Board Committees members. The Company also encourages Directors to attend continuing education each financial year by circulating, on a regular basis, information on seminars, courses and other programs relating to the discharge of their duties as Directors. The Company is prepared to undertake funding for such continuing education. All the Directors had attended and completed the mandated sustainability training course as required by the enhanced SGX-ST sustainability reporting rules announced in December 2021.

Directors are provided with the agendas, complete and adequate meeting materials such as budgets, forecasts and internal financial statements, background or explanatory information in a timely manner in advance of Board and Board Committees meetings to facilitate the effective discharge of their duties. Directors have separate and independent access to the Company Secretary, Internal and External Auditors, and Management. Directors are entitled to request for information from the Management and are provided with such additional information as needed to make informed decisions in a timely manner on matters pertaining to but not limited to the Company's business, financial and corporate matters. The Board is informed of all material events and transactions as and when they occur.

Where decisions to be taken by the Board require specialised knowledge or expert opinion, the Directors, either individually or as a group, are encouraged to engage independent professional advice in the furtherance of their duties, if necessary and at the Company's expense.

The Company Secretary and/or her representatives attend and minute all the Board and Board Committees meetings and assist the respective Chairmen in ensuring that proper board procedures are followed and relevant regulations and rules are complied with.

The appointment and the removal of the Company Secretary is a matter for the Board as a whole.

CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Board Independence

As at the date of this report, the Board comprises five (5) Independent Directors, one (1) Non-Executive Director and one (1) Executive Director.

The Board considers an "independent director" as one who has no relationship with the Company, its related corporations, its 5% shareholders or its officers who could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement, with a view to the best interests of the Company.

The independence of each Director is reviewed annually by the NC in accordance with the Code's definition of independence. Each Director is required to complete a 'Confirmation of Independence' form to declare his independence. The said form, which was drawn up based on the definitions and guidelines set forth in Provision 2.1 in the Code and Nominating Committee Guide issued by The Singapore Institute of Directors, requires each Director to assess whether he considers himself independent despite not having any of the relationships identified in the Code.

Independence of Directors who have Served on the Board Beyond Nine (9) Years

Lee Bon Leong and Tan Keh Yan, Peter, the Independent Non-Executive Directors, have served on the Board beyond nine (9) years from the date of their first appointments.

On 11 January 2023, the SGX-ST has amended the Listing Manual to limit the tenure of independent directors serving on the boards of listed companies to nine years and the removal of the Two-Tier Voting (i.e. the removal of Rule 210(5)(d)(iii) of the SGX-ST Listing Manual). In this regard, Lee Bon Leong and Tan Keh Yan, Peter who are due for retirement at the forthcoming AGM, will not seek for re-election, to support progressive renewal of the Board.

Following the conclusion of the forthcoming AGM, Lee Bon Leong will cease to be the Independent, Non-Executive Chairman, the Chairman of the Remuneration Committee and a member of Audit and Nominating Committees, and Tan Keh Yan, Peter will cease to be the Lead Independent Director, the Chairman of the Audit Committee and a member of Nominating and Remuneration Committees.

As part of the board renewal process, the Board, with the recommendation of the NC, has appointed Choo Boon Tiong and Neo Gim Kiong as Independent Non-Executive Directors with effect from 1 February 2024. The Board actively reviews the composition of the Board and Board Committees, and any changes will be announced promptly.

Proportion of Non-Executive Independent Directors

The Board notes that there should be a strong and independent element on the Board to exercise objective judgement on corporate affairs independently. Currently, the Board comprises seven (7) directors, of whom five (5) are independent, namely, Lee Bon Leong, Tan Keh Yan, Peter, Koh Wee Kiang, Choo Boon Tiong and Neo Gim Kiong and two (2) are non-independent, namely, Lee Yih Chyi, Yvonne (Managing Director) and Lee Yih Hwan (Non-Executive Director). In view of this, the Company is in compliance with Provisions 2.2 and 2.3 of the Code that the Independent Directors and Non-Executive Directors make up a majority of the Board.

CORPORATE GOVERNANCE

Board Diversity

The Company recognises and embraces the importance and benefits of having a diverse Board. It considers the benefits of all aspects of diversity, including diversity of skills, experience, background, gender, age, ethnicity and other relevant factors at the Board level to enhance the quality of its performance. The Company has in place a Board Diversity Policy, which endorses the principle that its Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business so as to mitigate groupthink and foster constructive debate.

In reviewing the appointments of new Board members and the continuation of these appointments, the NC, and together with the Board, will:

a) take into consideration diversity factors including skills, core competencies, knowledge, professional experience, educational background, gender, age and length of service;

b) identify and recommend appointments based on merit and an objective criteria which is required to enable the Board to discharge its responsibilities effectively while giving due regard to the need to maintain diversity on the Board; and

c) ensure strong element of independence at the Board level.

The Board Diversity Policy and framework is set out to ensure that the Board and Board Committees are of an appropriate size, and comprise Directors who as a group provide the appropriate balance and diversity, to avoid groupthink, foster constructive debate and to function effectively to make informed decisions overseeing the Group's business.

The Board is of the view that independence is an important aspect of diversity. To ensure greater accountability to shareholders, the Group has established the AC, RC and NC. Membership in each of the Board Committees comprises Independent Directors. Throughout the years, the Independent Directors and Non-Executive Director constructively challenge and assist to develop proposals on the Group's short-term and long-term strategies. The Independent Directors and Non-Executive Director also review the performance of Management in meeting agreed goals and objectives, and monitor the reporting of performance. The Independent Directors and Non-Executive Director have met without the presence of the Executive Director and Management at least once annually so as to facilitate a more effective check on Management. The Chairmen of such meetings provide feedback to the Board as appropriate.

The NC reports to the Board on an annual basis on the progress made in achieving the objectives set for promoting diversity as described in the Company's policy. On an annual basis, the NC discusses and agrees upon the relevant measurable objectives for promoting and achieving diversity on the Board. The objectives may involve, at any given time, one or more aspects of board diversity with different timelines for achievement. The NC will make its recommendations on a suitable Board size and balance of diversity to achieve a Board composition that is appropriate to drive the Company's strategic goals. These recommendations will be tabled for consideration and approval by the Board.

The NC is of the view that the Board and Board Committees are of an appropriate size, and comprise Directors who have the appropriate balance and diversity of skills, gender, knowledge of the Company, expertise and experience such as banking, accounting and legal to function effectively and make informed decisions overseeing the Group's business.

CORPORATE GOVERNANCE

The Board concurs with the NC's view that its current Board composition has an appropriate size, to enable it to make decisions in the best interests of the Company, which is consistent with the intent of Principle 2 of the Code. Nonetheless, the NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommended appropriate revisions to the Board for consideration and approval.

Board Diversity Criteria	**No. of Members**
Independence	
– Independent, non-executive	5
– Non-independent, non-executive	1
– Executive	1
Gender	
– Male	6
– Female	1
Age	
– 50 – 55 years	3
– 70 – 75 years	3
– above 75 years	1
Length of Service	
– below 9 years	4
– 9 years and above	3
Core Competencies	
– Legal	
– Financial	
– Corporate and business management	
– Operations management	

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Company has a separate Chairman and Managing Director to ensure an appropriate balance of power, increased accountability and greater capacity of the Board in terms of independent decision-making. There is clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Lee Bon Leong is the Independent Non-Executive Chairman of the Board of Directors and Lee Yih Chyi, Yvonne is the Managing Director. Separation of the roles of Chairman and Managing Director is part of the Group's continuing efforts to enhance the standards of its corporate governance.

CORPORATE GOVERNANCE

As the Independent Non-Executive Chairman of the Company, Lee Bon Leong assumes responsibility for:

(a) leading the Board to ensure its effectiveness in all aspects of its role;

(b) leading the Board in charting the strategic direction of the Group;

(c) ensuring Board meetings are held when necessary to enable the Board to perform its duties and facilitate the Company's operations;

(d) setting Board meeting agendas, reviewing all Board papers and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;

(e) promoting a culture of openness and debate at the Board and encouraging constructive relations within the Board and between the Board and Management;

(f) ensuring there is adequate, timely and relevant materials and Board papers provided to Board members to improve flow of information between Management and the Board; and

(g) ensuring compliance with the Company's guidelines on corporate governance.

As Managing Director of the Group, Lee Yih Chyi, Yvonne oversees the management and business operations of the Group and is responsible for executing strategies and policies adopted by the Board. She also updates the Board on strategic business issues and involves the Board in the business planning processes. To ensure a sound system of internal controls to safeguard shareholders' investment and the Company's assets, the Group has appointed an independent internal auditor who reports directly to the AC to review the effectiveness of the Group's internal controls.

The Board noted that in line with Provision 3.3 of the Code, a Lead Independent Director should be available to shareholders when they have concerns in situations where Chairman is conflicted, and for which contact through the normal channels of the Chairman, Managing Director or Group Financial Controller has failed to resolve or is inappropriate. As recommended by the Code, Tan Keh Yan, Peter was appointed by the Board as the Lead Independent Director with effect from 28 January 2014. Led by the Lead Independent Director, the Independent Directors are encouraged to meet periodically without the presence of the other Directors, and the Lead Independent Director provides feedback to the Chairman after such meetings.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Nominating Committee

The NC comprises three (3) members, all of whom including the NC Chairman are Independent Directors. The Lead Independent Director, Tan Keh Yan, Peter is also a member of the NC. The Chairman of the NC is not, and is not directly associated with, a substantial shareholder of the Company. The NC holds at least one meeting in each financial year. The members of the NC are:

Koh Wee Kiang (Chairman)	Independent Director
Lee Bon Leong	Independent Non-Executive Chairman
Tan Keh Yan, Peter	Lead Independent Director

The NC makes recommendations to the Board on all nominations for appointment and re-election of Directors to the Board. It ascertains the independence of Directors and evaluates the performance of the Board, the Board Committees and individual Directors.

CORPORATE GOVERNANCE

The NC's major responsibilities under its written terms of reference include the following:

(a) reviewing Board succession plans for Directors, including selection, appointment, re-election, re-appointment and termination of Directors, in particular, for the Chairman and the Managing Director;

(b) assessing and determining the independence of Directors on an annual basis;

(c) developing a process for evaluation of the performance of the Board, its Board Committees and individual Directors and making recommendations on matters arising from the results of the Board's performance evaluation;

(d) reviewing the structure, size and composition of the Board;

(e) assessing whether any Director, who has multiple listed company board representations, is able to and has been adequately carrying out his duties;

(f) reviewing training and professional development programs for the Board; and

(g) ensuring that the Board Diversity Policy is implemented in an effective and practical manner.

The NC determines annually, and as and when circumstances require, where a director is independent, taking into consideration the disclosures by the Directors of any relationships with the Company, its related corporations, its substantial shareholders or its officers and a "Confirmation of Independence" form is completed by each Independent Director to confirm his independence. The "Confirmation of Independence" form was drawn up based on Provision 2.1 of the Code and the Nominating Committee Guide issued by The Singapore Institute of Directors and Rule 210(5)(d) of the SGX-ST Listing Manual. Following its annual review, the NC affirmed the independence of Lee Bon Leong, Tan Keh Yan, Peter, Koh Wee Kiang, Choo Boon Tiong and Neo Gim Kiong.

The NC ensures that all recommendations for the appointment and re-election of Directors are formal and transparent. To identify and select candidates for the Board (whether for a vacancy or as an addition to the Board), the NC has set selection criteria based on the desired skill set (such as managerial, technical, financial, legal etc.), expertise and experience (in related or similar industries) that will enhance the effectiveness of the Board. The NC has access to internal and external sources to draw up a list of potential candidates. Internal sources include the Company's Directors and Management while external sources include the Company's Auditors, Secretarial Services Providers, the Singapore Institute of Directors etc. The NC conducts interviews with potential candidates and recommends short-listed candidates to the Board for consideration. There is no Alternate Director appointed to the Board in FY2023.

Pursuant to Regulation 104 of the Company's Constitution, one-third of the Directors is required to retire from office by rotation every year and each Director shall retire from office at least once every three (3) years, and subject themselves to re-election by shareholders at the Company's AGM. In addition, Regulation 108 of the Company's Constitution stipulates that a director newly appointed by the Board shall only hold office until the next AGM. All Directors to be re-elected have to be assessed and recommended by the NC before submission to the Board for approval.

Directors are assessed based on their respective attendance, adequacy of preparation and contributions during Board and Board Committees meetings. In addition, the NC requires all Directors to declare their representations on the boards of other companies and principal commitments. The Board does not limit the maximum number of listed company board representations and principal commitments its Directors may hold as long as each Director is able to commit sufficient time and attention to the affairs of the Company. The NC is satisfied that Directors who have multiple listed company board representations and principal commitments have devoted sufficient time and attention to the affairs of the Company and are able to effectively carry out their duties as a Director of the Company.

Each member of the NC is also required to abstain from voting on resolutions, making recommendations and/or participating in matters in which he is interested.

CORPORATE GOVERNANCE

Lee Bon Leong and Tan Keh Yan, Peter who are due for retirement at the forthcoming AGM will not seek for re-election, to support progressive renewal of the Board. The NC has reviewed and recommended the re-election of Lee Yih Hwan, Choo Boon Tiong and Neo Gim Kiong who are retiring at the forthcoming AGM. The Board has accepted the recommendations and Lee Yih Hwan, Choo Boon Tiong and Neo Gim Kiong will be offering themselves for re-election at the forthcoming AGM.

Please refer to the "Board of Directors" section in the Annual Report for key information on the Directors.

To provide the information as set out in Appendix 7.4.1 of the SGX-ST Listing Manual relating to the candidate who is proposed to be appointed for the first time or re-elected to the board at a general meeting, in the notice of meeting, annual report or relevant circular distributed to shareholders prior to the general meeting pursuant to Rule 720(6) of the SGX-ST Listing Manual. The Directors named below are retiring and being eligible, offer themselves for re-election at the upcoming AGM:

Name of Director	**Lee Yih Hwan**	**Choo Boon Tiong**	**Neo Gim Kiong**
Date of appointment	1 January 2021	1 February 2024	1 February 2024
Date of last re-appointment	22 April 2021	N.A.	N.A.
Age	52	70	54
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on the NC's recommendation for re-election	The Board has accepted the NC's recommendation, who has reviewed that Lee Yih Hwan is suitable for re-election as a Non-Executive Director of the Company	The Board has accepted the NC's recommendation, to re-elect Choo Boon Tiong as an Independent Director of the Company based on his qualifications and work experience	The Board has accepted the NC's recommendation, to re-elect Neo Gim Kiong as an Independent Director of the Company based on his qualifications and work experience
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job title	Non-Executive Director	Independent Director	Independent Director
Professional qualifications	Bachelor of Arts (Honours) in Accounting and Finance, University of Leeds, United Kingdom	Bachelor of Arts, University of Singapore	Bachelor of Science (Honours) in Mathematics, National University of Singapore Executive Programme – China Economics for Overseas Entrepreneurs, Beijing University

CORPORATE GOVERNANCE

Name of Director	Lee Yih Hwan	Choo Boon Tiong	Neo Gim Kiong
Working experience and occupation(s) during the past 10 years	January 2014 – Present Maybank Group, Group Corporate Treasurer May 2013 – December 2015 Maybank Singapore, Head of Global Markets, Member of Singapore Management Committee	Kyra Capital Pte Ltd, Director Solve Education Foundation Pte Ltd, Director Goldbell Corporation Pte Ltd, Director Goldbell Financial Services Pte Ltd, Executive Director Bibby Financial Services (S) Pte Ltd, Director Pilgrim Private Debt Fund, Chief Credit Officer Pacific Radiance Ltd, Independent Director Konundra Business Advisory Pte Ltd, Director Cynosure Corporate Services Pte Ltd, Director Tiro Consulting Services Pte Ltd, Director Personnel Link JobHub Pte Ltd, Director Light10 Industries Pte Ltd, Director Karios Food Resources Pte Ltd, Director Fu Yu Corporation Ltd, Executive Vice Chairman Enyorra Private Equity Pte Ltd (previously known as JI Capital Partners Pte Ltd), Advisor	2004 – Present Bizmen Corporation Pte Ltd, Founding Director 2004 – Present Dollar Tree Inc Pte Ltd, Founding Director April 2015 – August 2022 Sen Yue Holdings Ltd, Chief Executive Officer

CORPORATE GOVERNANCE

Name of Director	Lee Yih Hwan	Choo Boon Tiong	Neo Gim Kiong
Shareholding interest in the listed issuer and its subsidiaries	Lee Yih Hwan holds 660,000 shares of the Company, and is deemed to have an interest in the 127,377,350 shares held by Shenton Investment Pte Ltd and 3,816,216 shares held by Lee Choon Bok	None	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Lee Yih Hwan is the son of Lee Choon Bok (substantial shareholder) and brother of Lee Yih Chyi, Yvonne (Managing Director) and Lee Yih Lin (Executive Officer); and nephew of Lee Choon Yam (Head of Production)	None	None
Conflict of interest (including any competing business)	None	None	None
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 720(1))	Yes	Yes	Yes

CORPORATE GOVERNANCE

Name of Director	Lee Yih Hwan	Choo Boon Tiong	Neo Gim Kiong
Other principal commitments including directorships	**Other Principal Commitment:** Nil **Present Directorship:** Director, Shenton Investment Pte Ltd Director, Aurea Lakra Holdings Sdn Bhd Director, Cekap Mentari Berhad Director, Dorado Tora Holdings Sdn Bhd Director, Maybank International Trust (Labuan) Berhad Director, Capital Properties Sdn Bhd Director, Maybank Properties Pte Ltd Director, Sorak Financial Holdings Pte Ltd Director, Philmay Property Incorporated Director, Philmay Holding Incorporated **Past Directorship (for the past 5 years):** Nil	**Other Principal Commitment:** Nil **Present Directorship:** Director, Kyra Capital Pte Ltd Director, Solve Education Foundation Ltd Advisor, Enyorra Private Equity Pte Ltd (previously known as JI Capital Partners Pte Ltd) **Past Directorship (for the past 5 years):** Director, Goldbell Corporation Pte Ltd Executive Director, Goldbell Financial Services Pte Ltd Chief Credit Officer, Pilgrim Private Debt Fund Director, Konundra Business Advisory Pte Ltd Executive Vice Chairman, Fu Yu Corporation Ltd	**Other Principal Commitment:** Nil **Present Directorship:** Director, Bizmen Corporation Pte Ltd Director, Dollar Tree Inc Pte Ltd Director, Ban Leong Technologies Ltd Chairman, Acesian Partners Limited Director, AV Labs International Pte Ltd **Past Directorship (for the past 5 years):** Director, Astaka Holdings Limited Director, International Press Softcom Ltd Director, Sen Yue Holdings Ltd & subsidiaries of Sen Yue Holdings Ltd
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes	Yes
If yes, please provide details of prior experience.	Director of the Company since 1 January 2021.	Director of Craft Print International Ltd, International Factors (Singapore) Ltd, Fu Yu Corporation Limited and Pacific Radiance Ltd	Director and Chairman of Acesian Partners Limited and Ban Leong Technologies Ltd

CORPORATE GOVERNANCE

Name of Director	Lee Yih Hwan	Choo Boon Tiong	Neo Gim Kiong
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a listed issuer as prescribed by the Exchange	N.A.	N.A.	N.A.
Please provide details of relevant experience and the NC's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	N.A.	N.A.	N.A.
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No

CORPORATE GOVERNANCE

Name of Director	Lee Yih Hwan	Choo Boon Tiong	Neo Gim Kiong
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

CORPORATE GOVERNANCE

Name of Director	Lee Yih Hwan	Choo Boon Tiong	Neo Gim Kiong
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

CORPORATE GOVERNANCE

Name of Director	Lee Yih Hwan	Choo Boon Tiong	Neo Gim Kiong
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	Yes Refer to the Company's Announcement released on 31 January 2024. Sen Yue Holdings Ltd has announced that CAD will not pursue the investigation further per their announcement of 27 March 2024
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No

CORPORATE GOVERNANCE

Name of Director	Lee Yih Hwan	Choo Boon Tiong	Neo Gim Kiong
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity of business trust?	No	No	Yes Refer to the Company's Announcement released on 31 January 2024.
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	Yes Refer to the Company's Announcement released on 31 January 2024.

CORPORATE GOVERNANCE

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC recommends objective performance criteria and the process for approval by the Board to assess the performance and effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board. The evaluation is carried out on an annual basis without engagement of an external facilitator.

The Board has implemented a formal annual process for assessment of the effectiveness of the Board as a whole, each Board Committee and individual Director. For FY2023, each Director is required to complete forms for the evaluation of the Board as a whole, each Board Committee (where relevant) and individual Director, as adopted by the NC, to assess the overall effectiveness of the Board as a whole, each Board Committee and individual Director. The assessment of the Board's performance focused on a set of performance criteria which include Board structure, strategy and performance, governance on risk management and internal controls, dissemination of information to the Board, Board procedures, the standards of conduct of the Managing Director and top management and Directors. The completed assessment is compiled into a consolidated report on a no-name basis and is tabled along with any recommendations to the Board for discussion. This process is designed to obtain constructive feedback and initiate dialogue among Directors with a view to enhance shareholders' value.

The assessment criteria for each Board Committee focuses on the nature of the respective roles and responsibilities of the AC, RC and NC.

The annual assessment of individual Directors considers, among others, each Director's attendance as well as generation of constructive debate, participation at meetings of the Board and Board Committees, contribution, initiative, responsiveness of Director, knowledge of senior management and Company's business, and the Directors' self-assessment. The compiled results of the assessment were reviewed by the NC. The performance of each individual director is taken into account in their re-election.

The results of the assessment of the effectiveness of the Board as a whole, each Board Committee and individual Director are considered by the NC, which makes recommendations to the Board aimed at helping the Board to discharge its duties effectively. The Chairman of the Board will act on the results of the performance evaluation and the recommendations of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of directors may be sought.

No external facilitator was engaged in FY2023. However, if the need arises, the NC has full authority to engage an external facilitator to assist the NC to carry out the evaluation process at the Company's expense.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

CORPORATE GOVERNANCE

DISCLOSURE ON REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Remuneration Committee

The RC comprises three (3) members, all of whom including the RC Chairman are Independent Directors. The RC holds at least one meeting in each financial year. The members are:

Lee Bon Leong (Chairman)	Independent Non-Executive Chairman
Tan Keh Yan, Peter	Lead Independent Director
Koh Wee Kiang	Independent Director

The RC's major responsibilities under its written terms of reference include:

(a) reviewing and recommending to the Board for approval a framework of remuneration and the specific remuneration packages which cover all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind for all Directors and key management personnel, such that a significant proportion of the Executive Director's and key management personnel's remuneration is structured to link rewards to corporate and individual performance;

(b) reviewing the Company's obligations arising in the event of termination of the Executive Director's and key management personnel's contracts of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and

(c) reviewing the remuneration packages of employees who are related to any Director(s) and/or substantial shareholder(s).

The Company's remuneration package for employees, including the Executive Director, is made up of both fixed and variable components. The fixed component is the basic salary while the variable component is linked to the Group's and the individual's performance.

The RC reviews the remuneration packages, including Directors' fees and salaries, allowances, bonuses, profit sharing incentives, and benefits-in-kind for the Executive Director and key management personnel on an annual basis. In its review, the RC takes into consideration the pay and employment conditions within the industry and comparable companies, as well as the Company's relative performance and the performance of individual directors/key management personnel when setting remuneration packages so as to attract, retain and motivate them to run the Group successfully while seeking to align with the long-term interests and risk policies of the Company. A proportion of the Executive Director's remuneration is linked to performance and achievement of financial targets approved by the Board. The remuneration of Independent Directors and Non-Executive Director are appropriate to the level of contribution, taking into consideration the effort, time spent and responsibilities, the prevailing market conditions and referencing Directors' fees against comparable benchmarks, such that Independent Directors are not overly-compensated to the extent that their independence may be compromised.

The RC's recommendations are submitted to the Board. Each member of the RC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his remuneration package.

The RC has not sought external advice nor appointed any remuneration consultants in considering the remuneration of the Directors and key management personnel. However, the RC is encouraged to engage independent professional advice, if necessary, at the Company's expense.

CORPORATE GOVERNANCE

The RC has also reviewed the Company's obligations in relation to the service agreement of the Executive Director and key management personnel that would arise in the event of termination of these service agreements. This is to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

The RC may recommend the Company to consider the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Remuneration Report

A breakdown showing the level and mix of remuneration of each Director and key management personnel for FY2023 is as follows:–

Name of Director	Base Salary	Variable Payments	Other Benefits	Fees	Total
$750,000 to $1,000,000					
Lee Yih Chyi, Yvonne	67%	27%	4%	2%	100%
Below $250,000					
Lee Bon Leong	–	–	–	100%	100%
Tan Keh Yan, Peter	–	–	–	100%	100%
Koh Wee Kiang	–	–	–	100%	100%
Lee Yih Hwan	–	–	–	100%	100%

The Company supports and is aware of the need for transparency. However, taking into consideration the relative size of the Company, the competitive business environment in which it operates and the sensitive nature of such disclosure, the Board is of the opinion that a full disclosure may have a negative impact on the Company. While the Company did not provide the exact remuneration of each Director, the aggregate remuneration paid and fees payable to Directors of the Company is $760,000 and $186,000 respectively for FY2023. The Company has also set out above, the RC's responsibilities in reviewing the framework of remuneration packages which takes into consideration the industry standards, the Company's relative performance and performance of individual directors to align with the long-term interests of the Company. A proportion of the Executive Director's remuneration is linked to performance and achievement of financial targets approved by the Board. Accordingly, the Company is of the view that its practices are consistent with the intent of Principle 8 of the Code.

Name of Key Management Personnel	Designation
Below $250,000	
Thang Koon Tee	Group Financial Controller
Teo Kah Kheng	General Manager (Head of Sales)
Lee Yih Lin	General Manager
Lee Choon Yam	Head of Production

Based on the bands established above, the remuneration of each key management personnel who is not a Director or the Managing Director or substantial shareholder is below $250,000. However, due to the competitive nature of the industry that the Group operates in, the Board believes it is unwise to disclose the breakdown of the remuneration of these key management personnel. Nevertheless, the aggregate compensation to the named key management personnel of the Company is $806,000 for FY2023. The Board believes that the Company's current practices are consistent with the intent of Principle 8 of the Code.

None of the Directors (including the Managing Director) and the top key management personnel (who are not Directors or the Managing Director or substantial shareholders) of the Company has received any termination, retirement, post-employment benefits for FY2023.

CORPORATE GOVERNANCE

Below is an employee of the Group, being a substantial shareholder of the Company, or immediate family member of a Director, the Managing Director, or a substantial shareholder of the Company, whose remuneration exceeded $100,000 during the year.

Name of Employee	Relationship with the Relevant Director or Substantial Shareholder
$200,000 to $299,999	
Lee Yih Lin	Brother of Lee Yih Chyi, Yvonne and Lee Yih Hwan, nephew of Lee Choon Yam.

The Company does not have long-term incentive schemes such as employee share options scheme.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders

The Board is responsible for the governance of risk management and internal control framework. The Board conducts periodic reviews to determine the effectiveness and adequacy of the Company's risk management and internal control systems. This includes its financial, operational, compliance and information technology controls, and internal audit systems that have been put in place by Management to ensure the integrity and reliability of the Group's financial information, and to safeguard assets. There is clearly defined delegation of authority from the Board to the operating companies and procedures are in place for the proper authorization of transactions.

The AC is assigned to oversee the risk management framework and policies of the Group. The Group has implemented an enterprise risk management framework which the Management reviews for adequacy and effectiveness on an annual basis. The Management identifies, manages and monitors areas of significant business risks as shown on pages 34 and 35, and reports to the Board and AC at least twice a year, where the Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

Relying on the reports from the internal and external auditors and the key risks as identified by Management, the AC conducts assessments of the key internal controls and presents its findings to the Board. Any recommendations from the internal and external auditors to further improve the Group's internal controls are reported to the AC. The AC will also follow-up on the actions taken by Management on the recommendations from the internal and external auditors. Based on the information furnished by the AC to the Board, nothing has come to the Board's attention to cause the Board to believe that the internal controls are not adequate and effective for the type and volume of business that the Group currently operates.

Based on the various management controls put in place and the reports and reviews done by the internal and external auditors, including the reviews by Management, the non-existence of any critical internal control deficiencies, and assurances from the Managing Director and Group Financial Controller that:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) regarding the adequacy and effectiveness of the Company's risk management and internal control systems,

the Board with the concurrence of the AC is of the opinion that the Group's internal controls in addressing the financial, operational, compliance and information technology risks and risk management systems are adequate and effective for the type and volume of business that the Group currently operates.

The Board notes that the system of internal control and risk management established provides reasonable but not absolute assurance against unforeseeable and foreseeable risks to the Company, as all internal control systems contain inherent limitations and no system of internal control could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities. The Board, together with the AC and Management has also confirmed that the Company is not aware of any sanctions-related risks or any risk of the Company being subject to sanctions for the current financial year and will continue to enhance and improve the existing internal control framework to identify and mitigate these risks as stated above.

CORPORATE GOVERNANCE

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

The AC comprises three (3) members, all of whom are Independent Directors. The members are:

Tan Keh Yan, Peter (Chairman)	Lead Independent Director
Lee Bon Leong	Independent Non-Executive Chairman
Koh Wee Kiang	Independent Director

All AC members have extensive experience holding senior positions in the financial, legal and commercial sectors, and have sufficient accounting and financial management knowledge. Two (2) members, including the Chairman, have years of experience in large financial institutions in Singapore. The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation from the internal and external auditors and Management, full discretion to invite any Director or key management personnel to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation:

(a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case,

(b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The AC's major responsibilities in its written terms of reference include:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements and any formal announcements relating to the Company's financial performance before submission to the Board for approval;

(b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the internal controls, addressing financial, operational, compliance and information technology risks, and risk management systems established by Management;

(c) reviewing the internal and external auditors' audit plans, scope of work and reports, reviewing the Management's responses and discussing any issues arising from the internal and external audits;

(d) meeting with the internal and external auditors, in each case without the presence of Management, at least once annually to discuss any matters arising from the internal and external audits;

(e) reviewing the independence of the external auditor annually and making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement;

(f) reviewing any suspected fraud or irregularity or suspected infringement of any relevant laws, rules or regulations and reporting to the Board; and

(g) reviewing interested person transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual.

In the financial year under review, all AC meetings were conducted without the presence of Executive Director and Management unless invited by the AC to attend. The AC has full autonomy in the conduct of all AC meetings.

The AC has direct access to the internal and external auditors and has met with them without the presence of Management in FY2023.

To keep abreast of the changes in accounting standards and issues which have a direct impact on the Group's financial statements, the AC is updated annually by the external auditor on the relevant changes in financial reporting standards and issues when they attend the AC meetings.

The AC has explicit authority to investigate any matter within its terms of reference. The AC has, within its terms of reference, the authority to obtain independent professional advice at the Company's expense as and when the need arises.

CORPORATE GOVERNANCE

Pursuant to the "Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors" (the "Guidance") issued by SGX-ST and Accounting and Corporate Regulatory Authority ("ACRA"), the AC had evaluated the independence and performance of the external auditor based on the key indicators of audit quality set out in the Guidance in FY2023.

The AC has undertaken a review of the scope of audit and non-audit services provided by the external auditor and the objectivity of the external auditor on an annual basis, and is satisfied that all non-audit services provided by the external auditor would not, in the AC's opinion, affect the independence of the external auditor. RSM Chio Lim LLP, the external auditor of the Company, has also confirmed that they are a Public Accounting Firm registered with ACRA and provided a confirmation of their independence to the AC. Accordingly, the AC is satisfied that Rule 712 of the SGX-ST Listing Manual is complied with and has recommended to the Board, the nomination of the external auditor, RSM Chio Lim LLP, for re-appointment at the forthcoming AGM.

The fees payable to RSM Chio Lim LLP, the external auditor, for FY2023 are as follows:

Services	
Audit service	$83,000
Non-audit service	$14,000
Total	$97,000

The AC has reviewed the key audit matter relating to determination of the net realisable value of inventories as reported in the Independent Auditor's Report. The AC is satisfied that the Group's inventory procurement policies involve a detailed and judicious analysis of the present steel market condition, factors that could affect future demand and supply condition, selling price and replacement cost trends, as well as up-to-date knowledge of customers' requirements to ensure sufficient availability and variety of inventory to provide customers with a 'one-stop' solution. The AC noted that Management rigorously tracks international and domestic price trends as well as the price trends of raw materials that affect the costs of steel production. The AC also reviews the assumptions that are applied in the determination of future expected selling prices and replacement costs. As such, the AC is of the view that there is no material inconsistency between the audit procedures adopted by the independent external auditor and Management's assessment and is satisfied that the key audit matter has been appropriately dealt with.

The Company has complied with Rule 715 of the SGX-ST Listing Manual as all subsidiaries of the Company are audited by RSM Chio Lim LLP for the purpose of the consolidated financial statements of the Company and its subsidiaries.

The Group has outsourced its internal audit functions to MS Risk Management Pte. Ltd. The internal auditor reports directly to the AC and would also report administratively to the Managing Director. The AC approves the internal audit schedule, plan and activities of the internal auditor, who conduct their internal audit review to ascertain the following on an annual basis, that:

(a) an effective system of internal control is in place;

(b) the controls are functioning as intended; and

(c) operations are conducted in an effective and efficient manner.

To ensure the adequacy of the internal audit function, the AC has reviewed and approved the internal audit plan before the internal audit commenced. The AC will assess and ensure that the internal auditor meets or exceeds the standards set by recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The internal auditor provides adequate staff with relevant experience to conduct the internal audits and have unrestricted access to all documents, records, properties and personnel, including access to the AC.

The internal auditor also highlights to the AC and Management areas of weakness, instances of non-compliance with policies, procedures and controls, if any, and recommends improvements.

The AC, on an annual basis, will assess the adequacy and the effectiveness of the internal audit by examining the internal auditor's scope of work and its independence, the qualification and experiences of the internal audit team assigned and the internal auditor's reports. The AC conducted a review and concluded that the internal audit function has adequate resources to perform its functions, is independent from the activities that it audits and has appropriate standing within the Group. The AC is satisfied with the effectiveness of the Company's internal audit function.

CORPORATE GOVERNANCE

Whistle-blowing Framework

The Group has implemented a whistle-blowing policy whereby accessible channels are provided for employees to raise concerns about possible improprieties in matters of financial reporting or other matters of which they become aware and to ensure that:

(a) independent investigations are carried out in an appropriate and timely manner;

(b) appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and

(c) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balanced and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistle-blowing in good faith and without malice.

The AC is responsible for oversight and monitoring of whistle-blowing and the AC reviews all whistle-blowing complaints, if any, at its meetings to ensure independence, thorough investigation and appropriate follow-up actions are taken. The Company will treat all information received as confidential and will protect the identity of all whistle-blowers from reprisals.

There were no reports received through the whistle-blowing mechanism during FY2023.

Members of the AC and the Company Secretary are named as receiving channels of any whistle-blowing report.

SHAREHOLDER RIGHTS AND COMMUNICATION WITH SHAREHOLDERS

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

MANAGING STAKEHOLDER RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company believes it is important to treat all shareholders fairly and equitably, and does not practice selective disclosure. In line with continuous obligations of the Company pursuant to the SGX-ST Listing Manual, the Board's policy is to ensure that all material information is disclosed to all shareholders in an adequate and timely manner to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company.

The Company provides shareholders with a balanced and understandable assessment of its performance, financial position and prospects. The Board is accountable to shareholders while Management is accountable to the Board. To help continually ensure the accountability of Management to the Board, the Management provides all members of the Board with periodic updates that give a balanced summary of the Group's performance and financial position such as financial statements and other management reports. Apart from the regular Board meetings, discussions or ad-hoc meetings are conducted via electronic means, as and when required.

CORPORATE GOVERNANCE

The Board is mindful of its obligation to provide timely, reliable and fair disclosure of material information in compliance with the SGX-ST Listing Manual and present its financial results on a half yearly and yearly basis via SGXNet to the public. In presenting the financial results, the Board has made every effort to provide a balanced and reader friendly assessment of the Group's performance and position. In line with the SGX-ST Listing Rules, the Board provides negative assurance statement in respect of the interim financial statements. In addition, all Directors and key management personnel of the Company also sign a letter of undertaking pursuant to Rule 720(1) of the SGX-ST Listing Manual.

Information is disseminated to shareholders on a timely basis through:

(a) announcements and news releases on the SGXNet;

(b) annual reports prepared and issued to all shareholders;

(c) notices of shareholders' meetings are published in the local newspapers and/or announced via SGXNet; and

(d) the Group's corporate website at www.asiaenterprises.com.sg.

The Managing Director oversees and leads the Company's Investor Relations ("IR") activities. She is supported by the Group Financial Controller and external IR consultants engaged by the Company to reinforce its communications and interactions with shareholders and investors.

To better understand the views of shareholders and investors, the Company holds briefings or ad-hoc meetings with the investment community or media to discuss the Group's financial performance and developments, and promote better appreciation of the Group's business. The Company also conducts visits to its operating facilities for the investment community when appropriate. In addition, the Company participates in investor roadshows organised by third-parties such as stockbroking companies and service providers when suitable opportunities arise.

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, customers and suppliers, government and regulators, community, and shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

The IR section in the Group's website is updated in a timely manner with the Group's latest announcements. In addition to the latest financial results and corporate developments, shareholders, investors and stakeholders can also view historical financial reports, company presentations, investor factsheet, research reports and annual reports. Anyone may subscribe to the Company's announcements by registering for "email alerts" via the Company's website.

To enhance and encourage ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders, investors and stakeholders, the Company provides IR contact information (email address and telephone number) in its annual reports, announcements and website. Shareholders, investors and stakeholders can send their enquiries to the Company's IR Consultants who can be reached by email or telephone.

While the Company has not formally instituted a dividend policy, it has a good track record of paying at least 40% of its annual profit as dividends to shareholders since its listing on SGX-ST in September 2005. In the event that the Company considers it is inappropriate to pay a final dividend to shareholders, sufficient and good reasons shall be disclosed.

The Company's AGM held on 24 April 2023 was attended by all Directors. Shareholders, being informed of the rules governing general meetings, are given the opportunity to express their views and direct questions to the Directors and Management. Chairmen of the AC, NC, RC and Board, or members of the respective Board Committees standing-in for them were available to address questions from shareholders. The external auditor was also present to address shareholders' queries about the conduct of the audit and the preparation and content of the external auditor's report.

Shareholders are entitled to appoint up to two (2) proxies to attend and vote on their behalf at the AGM. Proxies need not be a shareholder of the Company. The Company does not permit voting in absentia by mail, facsimile or e-mail due to the difficulty in verifying and ensuring authenticity of the vote.

CORPORATE GOVERNANCE

A Relevant Intermediary[1] may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the numbers of votes cast for and against each resolution and the respective percentages.

The Board noted that there should be separate resolutions on each substantially separate issue that may be tabled at the general meeting. Notices of general meetings are dispatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 clear calendar days before the meeting for ordinary resolutions and/or at least 21 clear calendar days before the meeting for special resolutions.

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management.

The Company will hold physical AGM for FY2023 and all directors, external auditors, senior management and legal adviser (where necessary) will endeavour to be physically present at the AGM for FY2023 to address to the shareholders' questions.

In its annually published Sustainability Report, the Company has arrangements in place to identify and engage with its material stakeholder groups and has set out its strategy and key areas of focus in relation to managing its relationships with such groups.

[1] A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

CORPORATE GOVERNANCE

DEALINGS IN SECURITIES

The Company has complied with Rule 1207(19) of the SGX-ST Listing Manual in relation to the best practices on dealings in the securities:

(a) the Company had devised and adopted its own internal compliance code to provide guidance to its officers with regards to dealings by the Company and its officers in its securities;

(b) officers of the Company did not deal in the Company's securities on short-term considerations; and

(c) the Company and its officers did not deal in the Company's shares

  (i) during the periods commencing one (1) month before the announcement of the Company's half yearly and full year financial statements, and ending on the date of the announcement of the relevant results, and

  (ii) if they are in possession of unpublished price-sensitive information of the Group.

In addition, Directors and key management personnel are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

MATERIAL CONTRACTS

There were no material contracts of the Company or its subsidiaries involving the interests of any Director or controlling shareholder entered into in the financial year reported on.

INTERESTED PERSON TRANSACTIONS

The Company monitors all its interested person transactions closely and all interested person transactions are subject to review by the AC.

There are no interested person transactions entered into during the year.

The Company has no shareholders' mandate for interested person transactions.

CONFLICT OF INTEREST POLICY

The Company has adopted a conflict of interest policy to allow the Company and its subsidiaries to identify and properly address potential conflicts of interest that may influence decision-making by Directors and key management personnel in favour of his/her interests.

Directors have a duty to act in the best interest of the Company and should ensure that his duty is not impaired in any way. As such, Directors should refrain from placing themselves in a situation where these interests, whether professional or personal, would likely be directly or indirectly in conflict with the interests of the Company.

In the event where a Director or key management personnel envisages that a potential conflict of interest has occurred or may arise, he/she shall complete a declaration in a prescribed form to be submitted to the Management, stating the entity or body in which he/she or his/her related party(ies):

(a) receives or may potentially receive a financial benefit; or

(b) exercises or may exercise influence over its decisions; and

(c) to provide all material facts in relation to such benefits and influence.

RISK MANAGEMENT

KEY RISKS IDENTIFIED BY THE MANAGEMENT

FLUCTUATIONS IN STEEL PRICES

As a distributor of steel products, we purchase a wide range of steel products and maintain substantial inventories in order to fulfil customers' orders within a short lead time. Typically, our customers do not carry all the required steel products themselves due to the high carrying costs and storage space required. The cost of steel products purchased is the main component of our cost of sales and hence we are vulnerable to any fluctuation in the prices of steel. Steel prices rise and fall depending on international demand and supply conditions. Any fluctuation in the prices of steel will affect our cost of purchase and profitability.

Throughout the Group's operating history, we have developed and established long-term relationships and goodwill with many of our suppliers. Our strong rapport with a wide network of reliable and established international steel traders and suppliers allows us to source for steel products from established steel mills worldwide and provides us with timely access to critical industry trends and information, competitive prices for quality products, timely delivery and new product items.

HIGH INVENTORY HOLDING COSTS

Typically, we receive purchase orders from our customers at short notices. We do not have any substantial long-term contracts with our customers and thus, are not able to predict their requirements. On the other hand, our suppliers normally take up to two (2) or three (3) months from the order date to deliver the products to us. Given the short lead time given to us by our customers and the relatively longer delivery times required by our suppliers, we need to place advance orders with a view to secure continuous supply of substantial and varied steel products to meet the needs of our diverse customer base and provide just-in-time delivery. Consequently, our inventory turnover (days) is usually high.

The longer our inventories are held, the higher the cost of holding these inventories. In the event that we are unable to maintain our revenue or profit margins due to a fall in the prices of steel products and/or decrease in demand for steel products, or if our financing cost for inventory increases, our financial position will be affected.

Through regular contacts with our customers, our sales team understands the industries in which our customers operate, emerging industrial trends affecting their product requirements and their latest business activities. Based on this industry knowledge, we are able to assess the steel products that our customers will require and place advance orders with our suppliers accordingly.

FLUCTUATIONS IN FOREIGN EXCHANGE RATES

A significant portion of our purchases is denominated in United States Dollars ("USD") whilst a significant portion of our sales is denominated in Singapore Dollars ("SGD"). To the extent that our Group's purchases and reporting currency are not naturally matched in the same currency, our Group is exposed to adverse fluctuations of the USD against the SGD and our earnings may be affected.

The Group keeps close watch on the USD exchange rate movements and uses forward currency exchange contracts to manage our foreign exchange risks. The Group also utilises USD collections from customers as a form of natural hedge.

CREDIT RISKS OF OUR CUSTOMERS

Our Group offers unsecured credit terms ranging from thirty (30) to one hundred and twenty (120) days to our long-term customers with good payment records during the ordinary course of business. For other customers, we sell to them on cash terms or against letters of credit. We face uncertainties over the timeliness of our customers' payments and their ability to pay. There is no assurance that we will be able to collect our trade debts on a timely basis. A material increase in bad and doubtful debts will adversely affect our financial performance.

We do not sell exclusively to any customer. The Group has established a diverse pool of some seven hundred (700) customers in the Asia Pacific region. We have established close rapport with our customers through our ability to meet their steel requirements consistently and in a timely manner. We believe we have an established track record as a reliable and resourceful distributor of steel products as demonstrated by the fact that we frequently receive repeat orders from our existing customers as well as referrals of new customers.

RISK MANAGEMENT

Credit terms are extended based on factors such as duration of the customer relationship, credit-worthiness, past payment records, financial strength of the customer, as well as the size of the particular transaction. We do not extend any credit term to a new customer until such customer has demonstrated a prompt payment track record.

For any increase in credit limit and/or new credit term to be extended to any customer, a credit application form with a copy of the ACRA search will be submitted to our Executive Director for approval. Furthermore, outstanding debtor balances are reviewed at least on a weekly basis.

CYCLICAL MOVEMENTS IN THE INDUSTRIES THAT OUR CUSTOMERS OPERATE IN, IN PARTICULAR, THE MARINE AND OFFSHORE INDUSTRY

For the reporting year ended 31 December 2023, approximately 85% of our Group's revenue was derived from customers engaging in marine and offshore related activities. From time to time, different industries experience slowdowns due to cyclical fluctuations or a decline in the general economic conditions. In the event that there is a downturn in the industries that our customers operate, particularly the marine and offshore industry, the demand for the steel products and services we supply could decline and materially affect our operating results.

Our sales team constantly seeks new business opportunities with users of steel in other industries such as those engaged in engineering/fabrication, construction and manufacturing activities. We are also establishing ties with users of steel in new territories to further expand our customer base.

THREAT OF CYBER-ATTACKS

Our Group is exposed to a diversity of cyber-attacks as we embrace technology and digital connectivity in our business. We have outsourced IT professionals who monitor the health of our IT infrastructure on an on-going basis and practise regular software and hardware updates to ensure that our cyber risk is managed. In addition, we backup our data daily and conduct regular checks to ensure that our IT system can be recovered swiftly when the need arises. Staff are always reminded to practise proper cyber discipline and behaviour to ensure online security.

SUSTAINABILITY REPORT

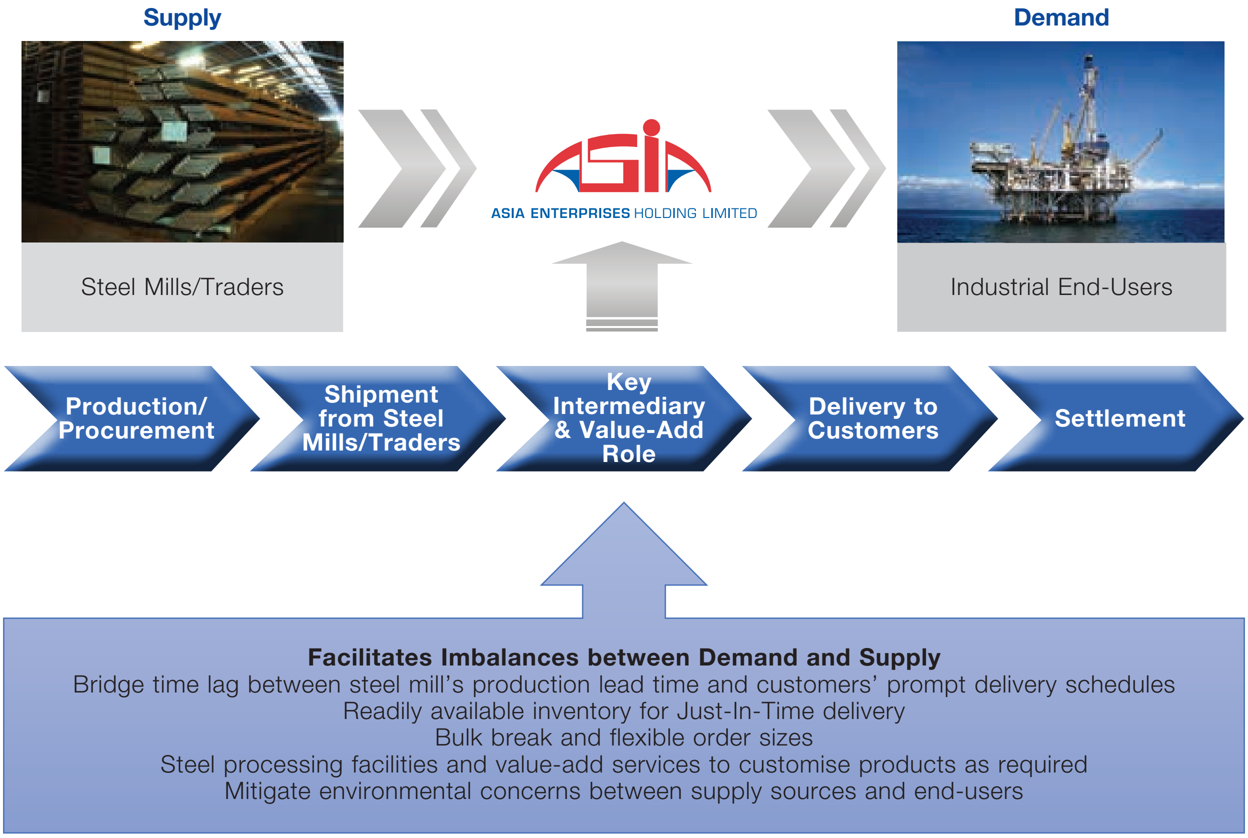
OUR BUSINESS

As a steel distributor, Asia Enterprises' key role is to bridge the gap and facilitate imbalances of demand and supply of steel products between steel mills and industrial end-users.

The majority of industrial end-users typically purchase a large variety of steel products in relatively small quantities and require intermittent deliveries that are made promptly or on a just-in-time basis. Steel producers, on the other hand, manufacture a limited variety of products, require minimum order sizes of substantial quantities and have long production and shipment lead times.

As a crucial link between steel producers and steel users, we source and procure steel products in large quantities and comprehensive varieties. Through efficient and effective deployment of financial, human and logistics resources, we have the capability to provide readily available inventory in flexible order sizes, with customization and value-added services where required, to industrial end-users. As an intermediary, we also communicate environmental concerns of our stakeholders with the aim to enhance improvements to the products and manufacturing processes for the benefit of all parties and our environment.

Industry Value Chain



This Sustainability Report covers the period from 1 January to 31 December 2023.

SUSTAINABILITY REPORT

BOARD STATEMENT

Asia Enterprises Group recognizes the importance of and seeks continuous improvement to the sustainability of our business and the environment. The Board regularly conducts reviews of the business environment that we operate in and considers sustainability issues as an integral part of its formulation of the Group's strategy.

On a day-to-day basis, the management monitors and oversees the sustainability execution and efforts of the Group, and makes regular reports directly to the Board.

Over and above the financial reports which track the financial health of the Group, the Sustainability Report is intended to provide supplementary information on the Group, with a focus on material economic, environmental, social and governance ("EESG") factors that impact the business now and in the future. Taken together, the combined financial and sustainability reports provide a holistic assessment of the business environment and the quality of management of Asia Enterprises.

In 2021, Singapore Exchange ("SGX-ST") enhanced the sustainability reporting regime by requiring issuers to provide climate-related disclosures based on recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). The roadmap towards climate-related disclosures is aimed at helping to future-proof businesses and building business resilience by anticipating climate-related issues. The Group will be adopting a phased approach to this disclosure recommendation.

SCOPE OF REPORT

This report is prepared in accordance with SGX-ST Listing Rules 711A and 711B – Sustainability Reporting Guide. The structure is oriented towards the GRI Sustainability Reporting Standards ("GRI Standards") 2021 issued by the Global Sustainability Standards Board. Climate-related disclosures as recommended by TCFD is presented in a phased approach.

In line with our approach of integrating sustainability into our operations, we aim to periodically gather feedback and suggestions from our stakeholders and perform a structured process of materiality assessment to identify, rate, prioritise and validate sustainability risks and opportunities.

Data provided for FY2022 in our Sustainability Report will form the basis for comparison. We continue to refine the quality of our data collection to enhance subsequent reporting and transparency going forward.

More information on our risk management can be found in the Risk Management section (pages 34 – 35).

The disclosures taken into account can be found in the GRI Content Index starting from pages 48 – 51.

SUSTAINABILITY REPORT

The table below summarises our approach to stakeholder engagement:

<table>
<tr><th>Key Stakeholder</th><th>How We Engage Them</th><th>Key Topics and Concerns Raised</th></tr>
<tr><td>Customers</td><td>Regular visits, meetings, phone calls and e-mails</td><td rowspan="3"><u>Economic</u>
1. Financial performance
2. Product quality
3. Inventory holding and credit management
4. Fluctuations in steel prices
5. Fluctuations in foreign exchange rates
6. Cyclical movements in industries that our customers operate
7. Rising costs of business resulting from environmental and geopolitical risks
<u>Environment</u>
8. Electricity and water conservation, waste management
9. Climate change</td></tr>
<tr><td>Suppliers</td><td>Regular meetings, phone calls and e-mails</td></tr>
<tr><td>Employees and Directors</td><td>Department meetings, company events, phone calls, e-mails and performance appraisals

Board, Audit Committee, Remuneration Committee and Nominating Committee meetings</td></tr>
<tr><td>Shareholders and Financial Community</td><td>Annual general meetings, results briefing sessions, roadshows, investment seminars, open house</td><td><u>Social</u>
10. Health and safety
11. Wage and hiring
12. Training and development
13. Work-life balance
<u>Governance</u>
14. Regulatory compliance and corporate governance
15. Succession planning
16. Threat of cyber-attacks
17. Business conduct and ethics</td></tr>
</table>

Materiality Assessment

Our materiality definition is guided by GRI Standards. Material sustainability factors are defined as those that:

a) reflect significant economic, environmental, social and governance impact on Asia Enterprises;

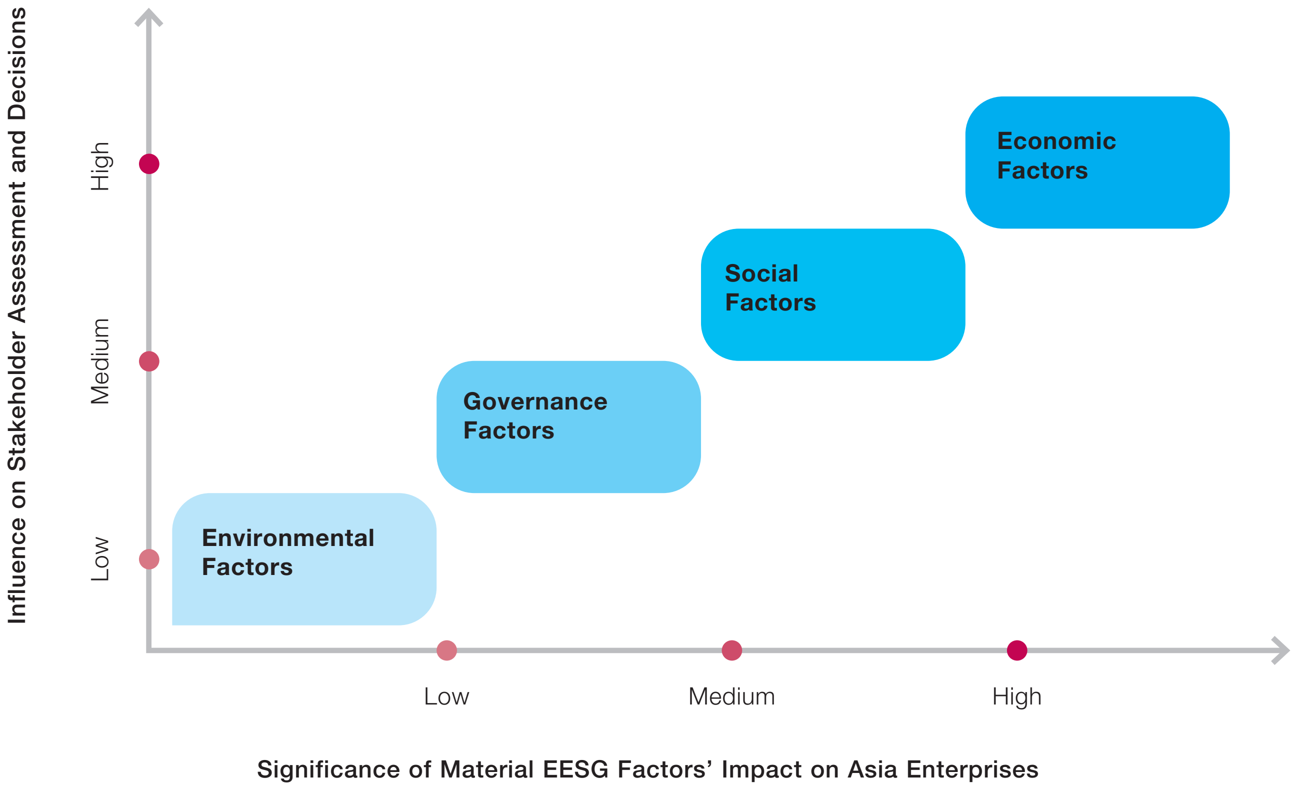
b) substantively influence the assessments and decisions of stakeholders; and

c) which may have actual or potential, negative or positive impacts across our activities and business relationships.

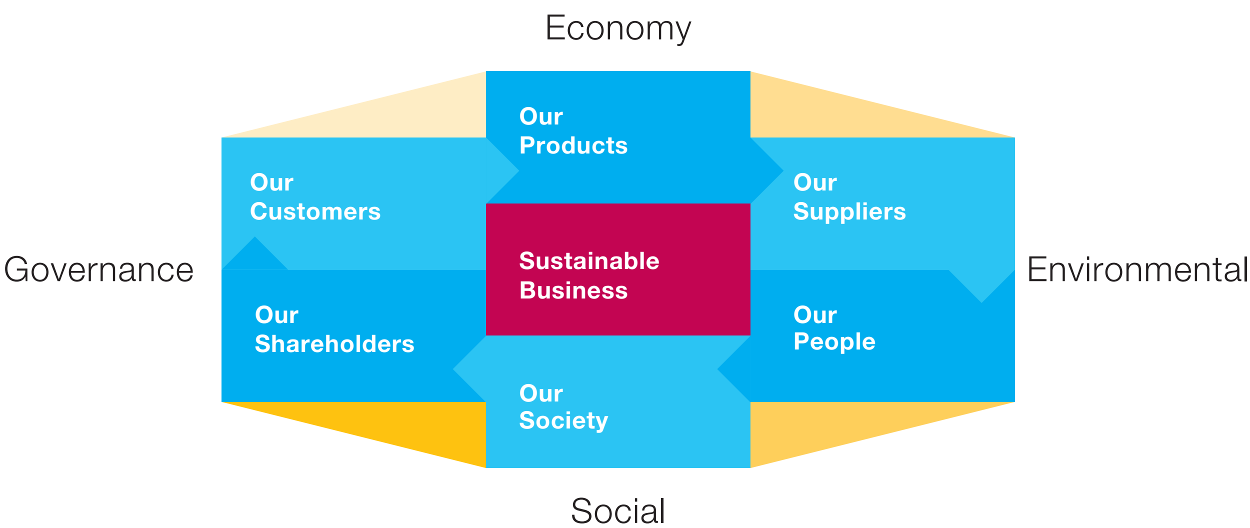
SUSTAINABILITY REPORT

The material sustainability factors are assessed by the management and ranked accordingly in the Material Factors Matrix as follows:

MATERIAL FACTORS MATRIX



For this Report, we have identified, rated, prioritised and validated the following material sustainability factors:



SUSTAINABILITY REPORT

OUR CUSTOMERS

Throughout the Group's operating history, we have established a diverse pool of more than 700 active customers in the Asia-Pacific region, with Singapore, Indonesia and Malaysia being the primary destinations of our products. Operating out of Singapore, we are able to capitalize on the island state's status as a major transhipment hub which allows us unrivalled connectivity to every major port in the world.

We distribute our products to industrial end-users engaged in businesses such as marine and offshore, oil and gas, construction, engineering/fabrication as well as manufacturing industries. While we are not reliant on any single customer, we do have a higher concentration of revenue generated by customers from the marine and offshore segment. Through regular and close collaboration with our customers, we have built a good understanding of their business requirements. As a result, our Group is able to formulate optimal solutions that help our customers to achieve their goals. Please refer to Financial and Business Review (pages 2-3).

We commit to supplying our customers with high quality products on time, every time. The partnerships we forge with our customers is built on trust, respect and mutual benefit. With potential impact from supply chain disruptions due to health risks, climate change, geopolitical tensions and government regulations, we are committed to join forces with our customers to develop alternative solutions that can mitigate the negative economic and social impacts from these disruptions.

OUR SUPPLIERS

We source our products from major steel mills worldwide, directly or through international steel traders. We purchase carbon steel plates, profiles, beams, pipes and coils globally. Over the past 51 years, we have established close working relationships with these suppliers. Our strong rapport with them provides us with timely access to critical industry trends and information, competitive prices for quality products and timely delivery of products. We also share feedback from customers with our suppliers to help them improve subsequent product offerings.

We expect our business partners to conform to acceptable social and environmental standards. Our Code of Conduct forms the basis for our contracts with our suppliers and we regularly assess their contractual performance. Where economically viable, we will opt for environmentally responsible options of supply, including but not limited to "green steel" supplies and through the use of "green shipping" and sustainable land transportation to reduce the carbon footprint of our operations.

SUSTAINABILITY REPORT

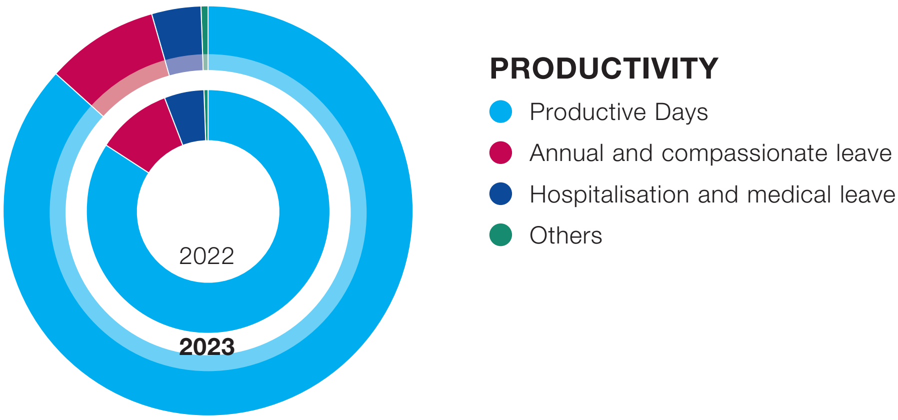
OUR PEOPLE

We operate out of Singapore. Our colleagues form the core of our organization and are fundamental to our business success. Our Board comprises professionals with diverse backgrounds and experience spanning legal, financial and corporate and business management areas. The sustainability of our business is attributable to the efforts of our experienced and committed Board, management team and colleagues. In 2022, we established a Board Diversity Policy which endorses our principle to have a balance of skills, knowledge, experience and diversity of perspectives at the Board and indeed throughout the organisation. Our years of operation have enabled us to build a wealth of experience and extensive product knowledge, as well as a good understanding of the industries in which our customers operate.

We aim to provide a working environment that is safe, fair, compassionate, supportive and stimulating for our colleagues. Our goal is for everyone in our Group to realise their full potential and contribute positively to the society, the environment and our organization.

Health and Safety

To elevate the importance of workplace safety and to sustain a high level of safety awareness for our employees and other stakeholders, the Group implemented OHSAS 18001:2007 occupational health and safety management system in 2012 with accreditation by Lloyds UKAS. Surveillance is conducted annually and has full participation from all employees and contract parties operating within our premises. In 2021, we transitioned to ISO 45000:2018 occupational health and safety management system. With clear guidance on safety measures, we aim to maintain a clean record with no workplace accidents.



COVID-19 and Possible Future Pandemics

The economic uncertainties that came about with the outbreak of COVID-19 continued to take its toll in 2023. As vaccination becomes more available in countries worldwide and with the development of medication to counter its effects, we are hopeful that economic activities and sentiments will gradually improve. COVID-19 has brought about a new normal in the way we work, socialise and live. The disruption that it has brought about in the supply chain may have a long-lasting impact on the ways businesses operate around the world.

At the start of the COVID-19 outbreak, the Group has implemented measures to ensure the well-being of its employees by arranging for employees who are able to work from home to do so. For those who are required at the workplace, the Group has strict protocols for safe distancing and baseline sanitation and hygiene. With post-COVID normalisation, the Group will continue to support flexible work procedures such as work-from-home scheme and online or digital collaboration. Reduced work trips will help to reduce carbon footprint and allow for more efficient use of time. The business contingencies that we have applied in response to COVID-19 provide valuable lessons that will help us refine future contingency plans for better preparedness.

SUSTAINABILITY REPORT

Fair Employment

We do not condone any personal discrimination based on nationality, age, gender or religion and support the growth of a fair and inclusive workplace. We continue to engage employees who reach statutory retirement age in our workforce for as long as they can contribute to the Group. This stems from a top-down management approach and is governed by the Board Diversity policy to promote inclusion of different perspectives and ideas, to mitigate against groupthink and ensure that the Group has the opportunity to benefit from different talents. By embracing diversity at the Board and across all levels of our organisation, we seek to ensure fair employment and uphold corporate governance standards.

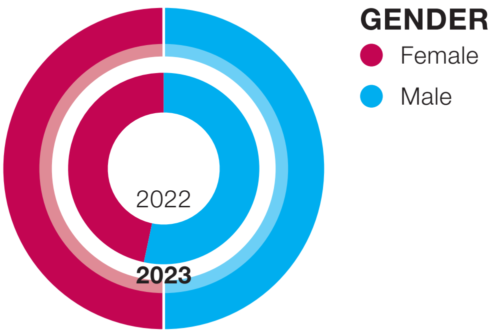
We aim to provide comprehensive compensation for all our colleagues and follow fair employment practices. As part of our hiring and retention strategy, we identify, recognize, remunerate and reward quality employees based on their merits and performances. Over and above statutory provisions, we also reward our colleagues for their commitment and service with special bonuses when they reach their tenth, twentieth, thirtieth and fortieth anniversaries of service with the Group.

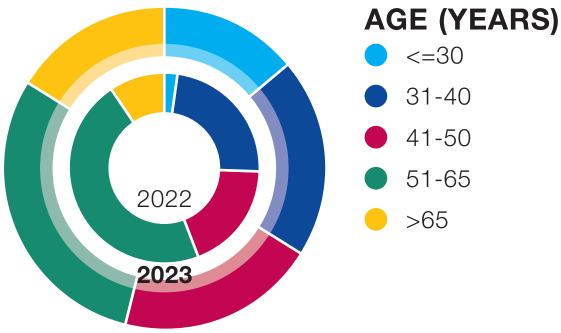
Diversity and Equality

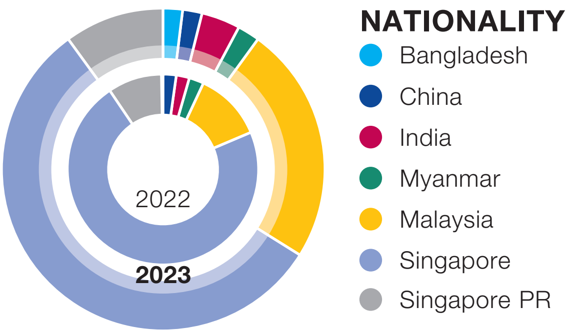
While we operate in a male dominant industry, we have secured significant female representation in our workforce, management team and Board. We embrace gender diversity and equal opportunities in our non-discriminatory organization, where remuneration is ascertained based on the individual's work performance and not on gender.

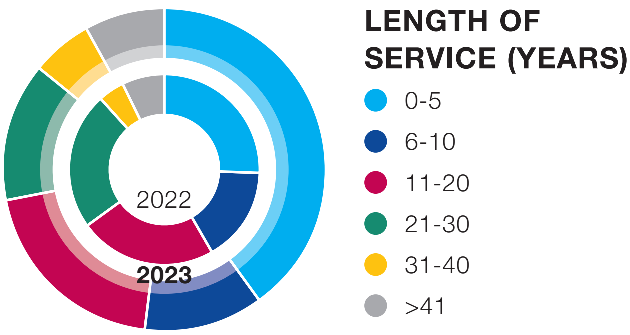
As a testament to our efforts, we have high staff retention with 52% (FY2022: 53%) of our colleagues having worked in the Group for more than 10 years.

The Board, which comprises members with diverse skill sets, meets regularly to receive updates on significant governance, economic, environmental and financial issues. The Board also actively discusses and deliberates strategies for the Group. Please refer to Board of Directors (pages 5 – 6).









SUSTAINABILITY REPORT

Training and Development

We believe in continuous improvement of skills and capabilities so as to maintain high levels of productivity and quality of our services. We encourage on-the-job training and the attendance of externally conducted courses and seminars. The scope of training and development rolled out to our colleagues is not limited to statutory training requirements. We also encourage training in personal development, such as IT skills, language, health and safety and general well-being for the individual. Going forward, we hope to further expand a more structured training and development programme for the different functional roles of our employees.

	FY2023	FY2022
Average training hours per employee	**48.50**	9.18

OUR SHAREHOLDERS

We are a publicly traded company and have over 1,000 shareholders. We communicate regularly with our shareholders and the wider investing community via public announcements on SGXNet and our corporate website, general meetings, investment seminars and briefings and company visits. Financial announcements and presentations are uploaded to our website in a timely manner. We actively encourage open communication with the investing community.

Corporate Governance

The management is vigilant in ensuring that the Group strictly complies with all relevant legal and regulatory requirements, as well as the Group's operating policies and procedures. There have been no reports or notifications in relation to any material non-compliance of the Group since its listing in 2005.

The Board is committed to upholding high standards of corporate governance, accountability and transparency, as guided by the Code of Corporate Governance, to protect and enhance the interests of shareholders. In 2022, the Group has established a Board Diversity Policy which states that the Board should have a balance of skills, knowledge, experience and diversity of perspectives to avoid groupthink. Please refer to Corporate Governance Report (pages 8 – 33).

With the adoption of TCFD, the Board will oversee the climate change task force and work with the management to establish an appropriate sustainability strategy.

The Board's responsibilities include overseeing management:

a) to disclose reasons and/or processes for selection of the frameworks adopted;

b) to set short-term, medium-term and long-term targets with target year identified;

c) to provide how targets are linked to business strategies and financial performance;

d) in determining material Environmental, Social and Governance ("ESG") factors; and

e) monitoring of material ESG factors.

Financial Performance

The Group's economic performance is pivotal to our ability to continue as a going concern and is of the utmost importance. We are committed to ensuring that our shareholders are rewarded financially for their investment in the Group. The Group has been consistently distributing dividends to shareholders. In the last 19 years, the Group has consistently paid annual dividend representing at least 40% of its yearly earnings.

Please refer to Financial Highlights (page 4).

SUSTAINABILITY REPORT

OUR PRODUCTS AND SERVICES

The sustainability of our economic performance hinges upon our ability to provide products and services that continue to be relevant to the market.

Steel is a basic commodity with a wide spectrum of applications due to its durability, strength, versatility and relatively low cost. It is used in the construction of homes, buildings, road, bridges, in transportation in the form of ships, vehicles, trains, containers, in home appliances and telecommunication equipment etc. Once produced, steel is ***infinitely*** recyclable without any loss of its inherent properties. It is ***the*** most recycled and recyclable material on Earth.

Steel is produced to different grades and qualities. Due to the discerning requirements of our customers, we practice responsible sourcing from a network of established and reliable steel mills. These suppliers not only produce material that conform to international standards but also do so in an economically competitive, socially and environmentally responsible manner. With greater emphasis on environmental sustainability, steel mills are actively undergoing research and development to produce "green steel" which aims to eliminate the use of fossil fuels in the manufacturing process. However, the Road to Zero is a long and arduous one and we are just at the starting point. Nevertheless, the industry is committed to journey towards zero-emission.

Global transportation of goods also contributes to the carbon footprint of the steel supply chain. The transportation industry is under tremendous pressure to achieve reduced emissions. Increasingly major transportation providers are experimenting with alternative fuels such as biofuel, electric powered vessels and vehicles to enforce emission controls and reduce pollutants to the environment. We are constantly on the lookout for energy-efficient, affordable modes of transport to deliver our cargo.

Product Quality

Depending on our customers' requirements, the products that we supply conform to the requirements set forth by international accredited standards such as European Standards (EN), American Society for Testing and Materials (ASTM), Japanese Industrial Standards (JIS), American Bureau of Shipping (ABS) and/or DNV GL, a merger of Det Norske Veritas (of Norway) and Germanischer Lloyd (of Germany).

Quality Assurance

We enforce strict quality controls by inspecting and checking all steel materials upon receipt and before delivery to customers. Since 2000 the Group has established a quality management system as an additional quality assurance to our customers with accreditation by Lloyds UKAS. Our inventory management and steel service operations system is certified to ISO 9001:2015 quality management system and is subject to annual surveillance. All products are traceable to their respective sources and are accompanied with test certificates issued by the producers. Where possible, we procure from steel mills that have qualified factory production control systems attested by an independent third-party certification agency.

Value-Added Services

As a supplementary service to our customers, we also operate a steel service centre that customizes hot rolled, cold rolled, electro galvanised and hot-dipped galvanised steel coils into specific dimensions for our customers' production needs. Where required, we engage third party contractors to provide further value-added services as required by our customers.

Inventory Holding

The Group operates two storage and steel processing facilities that have a combined land area of 33,769 square metres. To maintain the quality and lifespan of our steel products, all our steel products are stored in these covered warehouses to protect them against weathering elements. We also operate a fleet of prime movers, trailers and trucks which takes care of our day-to-day local delivery needs. We use SAP Business One as an enterprise resource planning tool. In addition, we have implemented an inventory optimisation tool to help us refine our inventory replenishment strategies and reduce inventory holding costs while achieving high service levels to our customers' requirements.

SUSTAINABILITY REPORT

Our capital investment in warehousing, logistics and processing facilities enable us to maintain a wide variety of steel products for prompt delivery to our customers. It frees our customers from the need to invest in space, equipment and the financial burden of holding inventory.

The Group is working on renewable energy projects to reduce the impact of our operations on the environment and combat the effects of climate change. To this end, the Group intends to commission the installation of solar panels at our warehouses to harness solar power as part of our initiative to increase the use of clean energy and reduce carbon emissions.

Digitalisation

Digitalisation as an enabler of sustainability improves resource efficiency and performance through flexible and smart use of technology. We support the government's digital initiative and have adopted a suite of automation tools from e-payment solutions to HR automation system for productivity, skills upgrade and efficiency. By re-designing work flow, the use of digital tools has transformed work processes and conserved resources.

Restrictions due to COVID-19 also led the Group to adopt more elaborate online collaboration to reduce unnecessary travel and physical contact. The Group has enhanced resource capabilities and work processes to enable seamless offsite operations, including offline monitoring where necessary, thus enhancing the Group's business operation sustainability.

Digitalisation is key to ensuring business continuity.

OUR SOCIETY

We recognise the importance of attaining high standards of responsibility to the society at large and to manage the impact of our business on the environment and community. We aim to continuously contribute to society, to support and assist the less fortunate, to improve their quality of life and to promote a better future for ourselves and our future generations.

Regulatory Governance

We are cognisant of the need to continuously evolve ourselves, to keep up with the government's initiatives.

In line with the government's directive to sustain business operations in land-scarce Singapore, we completed the re-development of our largest warehouse, invested heavily in equipment and re-designed our operations The facility has achieved land intensification by increasing the built-up area on its existing plot of land and, by re-designing our workflow, throughput has been increased tremendously.

The Singapore Green Plan 2030 ("Green Plan") is a whole-of-nation movement to advance Singapore's national agenda on sustainable development. The Green Plan charts ambitious and concrete targets over the next 10 years, to strengthen Singapore's commitments under the United Nations' 2030 Sustainable Development Agenda and Paris Agreement, and to position Singapore to achieve its long-term net zero emissions aspiration by 2050. We are committed to support the national agenda.

SUSTAINABILITY REPORT

In line with the government's directive to achieve net zero emission target, we will seek opportunities to invest in energy-efficient equipment and structures where appropriate.

In the longer term, where applicable, the Company will target to do following:

a) Policies, Practices and Performance:

   (i) To provide yearly performance data on carbon emissions, waste management, energy efficiency and water management;

   (ii) To provide information about how sustainability performance is linked to executive remuneration; and

   (iii) To describe sustainability performance in accordance to previously disclosed targets.

b) Climate Related Disclosures:

   (i) To disclose how the organisation identifies assesses and manages climate-related risks;

   (ii) To disclose the metrics used to assess and manage relevant climate-related risks and opportunities;

   (iii) To disclose the targets used to manage climate-related risks and opportunities; and

   (iv) To disclose the performance against targets.

Business Conduct and Ethics

At Asia Enterprises, the Board and management regard ethics and integrity very seriously. Any misconduct or non-compliance is dealt with severely. We are governed by a Code of Conduct ("Code") that covers:

- Social responsibility
- Legal compliance
- Corruption
- Data protection
- Whistle-blowing
- Dealing in securities
- Conflicts of interest

The Code governs appropriate behaviour by all members of the Group, including staff, directors and substantial shareholders. We expect all members to adhere to the Code. Members are periodically reminded of the consequences of non-compliance. Through the Whistle-Blowing Policy, an avenue for reporting inappropriate behaviour or conduct is provided, with the assurance of protection from possible retaliation or victimisation.

To prevent insider trading, members are regularly reminded not to deal in the shares of the Company, especially when they may be in possession of sensitive information, at all times. Particularly, members are not allowed to trade in the 30-day periods prior to the release of our financial results.

Corporate Social Responsibility

At Asia Enterprises, we are mindful that an organisation must strive to attain high standards of Corporate Social Responsibility ("CSR") as it pursues its economic goals and to develop a sustainable growth path for long-term success. The Group observes CSR practices to manage the impact of our business on the environment and community.

SUSTAINABILITY REPORT

We believe in giving back to the society, to support and assist the less fortunate in our community. We have been making annual contributions to charitable and voluntary welfare organisations that support different social causes. These institutions are selected based on the causes they support and their standing as an approved Institution of Public Character ("IPC"). Our employees are also encouraged to give back through donations or to participate in community services.

	FY2023	FY2022
Donations to IPC as a percentage of profit for the year	**1.5%**	1.1%

The Group wishes to further enhance its pledge to return back to the society by pledging up to $1.0 million in charitable giving and in-kind donations over the next 19 years. The focus of our distribution will be in areas relating to healthcare for the elderly and frail, education for youth and under-privileged children and for the betterment of the climate and our environment. The Board will set-up a separate committee to oversee the selection of recipients and the distribution of funds, where necessary.

SUSTAINABLE ENVIRONMENT

The production of steel has a significant carbon footprint and while steel is our base product offering, we are not involved in the manufacturing of steel products, so its environmental impact is beyond our control and the boundaries of this report. Once produced, however, steel is an environmentally friendly product due to its durability, ease of transportation, low material wastage and its infinitely recyclable characteristic. In this respect, steel, as a product, is a permanent resource that results in both energy efficiency and conservation of the earth's natural resources.

We aim to do our part towards the conservation of natural resources, against global warming and climate change and will collaborate with our suppliers in a bid to accelerate the development and marketing and use of "green steel".

Our Initiatives

We strive to store and transport all our steel products in a safe and responsible manner that does not pose any risks to our surrounding environment and community. Our fleet of transport vehicles comply with acceptable Euro emission requirements. These vehicles, and together with our steel processing and lifting equipment, undergo regular maintenance to ensure optimal performance and to prolong their useful life spans. Our drivers are required, at all times, to ensure that their loads are safely lashed and secured, and to practice safe driving.

Our warehouse adopts an "open-concept" design that allows for natural lighting and air-flow throughout the storage area. We have taken into consideration the need for energy efficiency and durability for the equipment and electrical devices installed at our warehouse. The multi-storey design of our warehouse also intensifies land usage, effectively increasing the gross floor area by 72.5%.

In addition, the Group promotes conservation of resources through Reduce, Reuse and Recycle. We strongly encourage efficient usage of electricity, water and paper at the workplace and proper disposal of scrap metals to scrap collectors for recycling purposes. Where possible, packaging material is recycled or made of recyclable material. To further bring forward the conservation of resources initiative, the Group intends to commission the installation of solar panels at our facilities to harvest solar power for energy efficiency.

Future Plans

Going forward, we plan to expand our risk assessment criterion to include financial risks and investment opportunities around our existing equipment and facilities with a focus to lower emissions, improve fuel efficiency. The assessment will also include risks and opportunities relating to the products and services that we procure. Longer term objectives will take into consideration capital expenditure and sustainable design developments in plants, equipment and buildings that have longer lasting impact on climate conservation and which provides sustainable economic benefits to our stakeholders.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GRI 2: General Disclosures 2021

GRI Ref	Disclosure Title	Page References/Information
The Organisation and its Reporting Practices		
2-1	Organisational details	Corporate Profile Notes to the Financial Statements: Note 1 – General (page 63)
2-2	Entities included in the organisation's sustainability reporting	Notes to the Financial Statements: Note 15 – Investments in subsidiaries (page 79)
2-3	Reporting period, frequency and contact point	1 January 2023 – 31 December 2023 Yearly Investor Relations Contact: Octant Consulting Tel: (65) 6296 3583
2-4	Restatements of information	N/A
2-5	External assurance	N/A
Activities and Workers		
2-6	Activities, value chain and other business relationships	Our Business (page 36), Our Customers (page 40), Our Suppliers (page 40), Our Shareholders (page 43)
2-7	Employees	Our People (pages 41 – 43)
2-8	Workers who are not employees	N/A
Governance		
2-9	Governance structure and composition	Corporate Governance: Board Matters (pages 8 – 24), Accountability and Audit (pages 27 – 30) Board Statement (page 37), Our Society: Business Conduct and Ethics (page 46)
2-10	Nomination and selection of the highest governance body	Corporate Governance: Board Matters – Board Membership (pages 13 – 23)
2-11	Chair of the highest governance body	Corporate Governance: Board Matters – Chairman and Chief Executive Officer (pages 12 – 13)
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance: Board Matters – The Board's Conduct of Affairs (pages 8 – 9), Board Performance (page 24)
2-13	Delegation of responsibility for managing impacts	Corporate Governance: Risk Management and Internal Controls (pages 27 – 30)
2-14	Role of the highest governance body in sustainability reporting	Board Statement (page 37)
2-15	Conflicts of interest	Our Society: Business Conduct and Ethics (page 46) Corporate Governance: Conflict of Interest Policy (page 33), Interested Person Transactions (page 33); Statement by Directors (pages 53 – 55)
2-16	Communication of critical concerns	Corporate Governance: Accountability and Audit – Whistle-blowing Framework (page 30), Managing Stakeholder Relationships: Engagement with Stakeholders (pages 30 – 32)
2-17	Collective knowledge of the highest governance body	Corporate Governance: Board Matters – The Board's Conduct of Affairs (pages 8 – 9)

SUSTAINABILITY REPORT

GRI Ref	Disclosure Title	Page References/Information
2-18	Evaluation of the performance of the highest governance body	Board Statement (page 37) Corporate Governance: Board Matters – Board Membership (pages 13 – 23), Board Performance (page 24)
2-19	Remuneration policies	Our People: Fair Employment (page 42) Corporate Governance: Remuneration Matters (pages 24 – 27); Notes to the Financial Statements: Note 3C – Key management compensation (pages 65 – 66), Note 8 – Employee benefits expense (page 71)
2-20	Process to determine remuneration	Corporate Governance: Remuneration Matters (pages 24 – 27)
2-21	Annual total compensation ratio	Omitted due to sensitivity of information
Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	Board Statement (page 37), Sustainable Environment (page 47)
2-23	Policy commitments	Board Statement (page 37), Our Society (pages 45 – 47)
2-24	Embedding policy commitment	Our People (pages 41 – 43), Our Shareholders (page 43), Our Products and Services (pages 44 – 45), Our Society (pages 45 – 47) Corporate Governance: Board Composition and Guidance (pages 10 – 12), Accountability and Audit – Risk Management and Internal Controls (page 27)
2-25	Processes to remediate negative impacts	Corporate Governance: Accountability and Audit – Whistle-blowing framework (page 30), Engagement with Stakeholders (pages 30 – 32)
2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance: Accountability and Audit – Whistle-blowing framework (page 30), Engagement with Stakeholders (pages 30 – 32)
2-27	Compliance with laws and regulations	Nil
2-28	Membership associations	Singapore Metal & Machinery Association Singapore Business Federation
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	Scope of Report (pages 37 – 39) Corporate Governance: Shareholder Rights and Communication with Shareholders (pages 30 – 32)
2-30	Collective bargaining agreements	N/A, our employees are not unionised

SUSTAINABILITY REPORT

GRI 3: Material Topics 2021

GRI Ref	Disclosure Title	Page References/Information
3-1	Process to determine material topics	Scope of Report: Materiality Assessment (pages 38 – 39)
3-2	Management of material topics	Our Customers, Our Suppliers, Our People, Our Shareholders, Our Products and Services, Our Society, Sustainable Environment (pages 40 – 47)
3-3	List of material topics	Our Customers, Our Suppliers, Our People, Our Shareholders, Our Products and Services, Our Society, Sustainable Environment (pages 40 – 47)
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Financial Highlights (page 4), Consolidated Statement of Profit and Loss and Other Comprehensive Income (page 59), Statements of Changes in Equity (page 61), Notes to the Financial Statements (pages 63 – 99)
201-2	Financial implications and other risks and opportunities due to climate change	Risk Management (pages 34 – 35) Sustainable Environment (page 47)
201-3	Defined benefit plan obligations and other retirement plans	Notes to the Financial Statements: Note 8 – Employee benefits expense (page 71) Central Provident Fund ("CPF") contributions are duly made by the Group on behalf of eligible employees in accordance with the Singapore government's mandated requirement for all employers.
201-4	Financial assistance received from government	Wage Credit, Special Employment Credit and Job Support Scheme
GRI 205: Anti-Corruption 2016		
205-1	Operations assessed for risks related to corruption	Corporate Governance: Accountability and Audit – Risk Management and Internal Controls (page 27)
205-2	Communication and training about anti-corruption policies and procedures	Our Society: Business Conduct and Ethics (page 46)
205-3	Confirmed incidents of corruption and actions taken	Nil
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Our Products and Services (pages 44 – 45)
301-2	Recycled input materials used	Nil
301-3	Reclaimed products and their packing materials	N/A

SUSTAINABILITY REPORT

GRI Ref	Disclosure Title	Page References/Information
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Our People: Diversity and Equality (page 42)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	N/A
401-3	Parental leave	Omitted as a standalone data, included in “Annual Leave” data – Our People: Health and Safety (page 41)
GRI 402: Labour/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	In the event of termination, a minimum notice period of one to three months needs to be fulfilled, depending on the employee’s job position.
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Our People: Health and Safety (page 41)
403-2	Hazard identification, risk assessment and incident investigation	Our People: Health and Safety (page 41)
403-3	Occupational health services	Our People: Health and Safety (page 41)
403-4	Worker participation, consultation and communication on occupational health and safety	Our People: Health and Safety (page 41)
403-5	Worker training on occupational health and safety	Our People: Health and Safety (page 41)
403-6	Promotion of worker health	Our People: Health and Safety (page 41)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our People: Health and Safety (page 41)
403-8	Workers covered by an occupational health and safety management system	Our People: Health and Safety (page 41)
403-9	Work-related injuries	Our People: Health and Safety (page 41)
403-10	Work-related ill health	Our People: Health and Safety (page 41)
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Our People: Training and Development (page 43)
404-2	Programs for upgrading employee skills and transition assistance programs	Our People: Training and Development (page 43)
404-3	Percentage of employee receiving regular performance and career development reviews	100%
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Corporate Governance: Board Matters – Board Composition and Guidance (pages 10 – 12) Our People: Diversity and Equality (page 42)
405-2	Ratio of basic salary and remuneration of women to men	Omitted due to sensitivity of information

FINANCIAL CONTENTS

STATEMENT BY DIRECTORS

The directors of Asia Enterprises Holding Limited (the "Company") and its subsidiaries (collectively the "Group") are pleased to present the accompanying financial statements of the Company and of the Group for the reporting year ended 31 December 2023.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group for the reporting year covered by the financial statements or consolidated financial statements; and

(b) at the date of the statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

The directors of the Company in office at the date of this statement are:

Lee Yih Chyi, Yvonne
Lee Bon Leong
Tan Keh Yan, Peter
Koh Wee Kiang
Lee Yih Hwan
Choo Boon Tiong (Appointed on 1 February 2024)
Neo Gim Kiong (Appointed on 1 February 2024)

3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the reporting year had no interests in shares in or debentures of the Company or other related body corporate as recorded in the register of directors' interest in shares in or debentures kept by the Company under section 164 of the Companies Act 1967 ("the Act") except as follows:

Names of directors and company in which interests are held	Direct interest: At beginning of the reporting year	Direct interest: At end of the reporting year	Deemed interest: At beginning of the reporting year	Deemed interest: At end of the reporting year
The Company: Asia Enterprises Holding Limited	Number of shares of no par value			
Lee Yih Chyi, Yvonne	70,000	70,000	131,193,566	131,193,566
Tan Keh Yan, Peter	125,000	125,000	–	–
Koh Wee Kiang	125,000	125,000	–	–
Lee Yih Hwan	660,000	660,000	131,193,566	131,193,566

By virtue of section 7 of the Act, Lee Yih Chyi, Yvonne is deemed to have an interest in the Company and in all the related body corporate of the Company.

The directors' interests as at 21 January 2024 were the same as those at the end of the reporting year.

STATEMENT BY DIRECTORS

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

5. Options

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

7. Report of audit committee

The members of the audit committee at the date of this report are as follows:

Tan Keh Yan, Peter (Chairman)	–	Lead independent director
Lee Bon Leong	–	Independent, non-executive chairman
Koh Wee Kiang	–	Independent director

The audit committee performs the functions specified by section 201B (5) of the Act. Among other functions, it reviewed the following, where relevant, with management and the external auditors:

- Audit plan of the independent external auditor;
- Independent external auditor's evaluation of the Company's internal accounting controls relevant to the statutory audit, the audit report on the financial statements and the assistance given by the management to the auditor;
- The scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor;
- The financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- The interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the Company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provide non-audit services.

The audit committee has recommended to the board that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as the independent auditor at the next annual general meeting of the Company.

STATEMENT BY DIRECTORS

8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, the board, with the concurrence of the audit committee, is of the opinion that the Company's internal controls (including financial, operational, compliance and information technology controls), and risk management systems were adequate and effective as at 31 December 2023 to address the risks that the Company considers relevant and material to its operations.

9. Subsequent developments

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 8 February 2024, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors

....
Lee Bon Leong
Independent, Non-Executive Chairman

....
Lee Yih Chyi, Yvonne
Managing Director

29 February 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of ASIA ENTERPRISES HOLDING LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Asia Enterprises Holding Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRSs (I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Determination of the net realisable values of inventories:

Reference is made to Note 18 on accounting policy, critical judgements, assumptions and uncertainties, and the audit committee's views and responses to the reported key audit matters under the corporate governance section of the annual report.

As at 31 December 2023, the Group held inventories of $26.8 million which is a significant balance on the statement of financial position. Inventories are stated at the lower of cost and net realisable value. The determination of the net realisable value of these inventories require the Group to make a critical and reasonable judgement on the future realisable value, which is dependent on future market trends, including the demand and supply of steel products, as well as the trend of steel prices in its key operating markets and internationally. Persistent weak end-user demand and/or oversupply of steel products may exert downward pressure on transaction volumes and steel prices to the extent that the carrying amount of inventories could exceed future expected realisable value.

We have reviewed the general global steel price trend in the past and have also assessed the global steel price trend movement subsequent to year end. To challenge the Group's future expected realisable value, we have conducted a comparison of the carrying amount against its recently transacted sales prices or latest purchase prices from suppliers. In addition, we have also performed sensitivity analysis on the future expected realisable value against its carrying amount for three major inventory items.

INDEPENDENT AUDITOR'S REPORT

To the Members of ASIA ENTERPRISES HOLDING LIMITED

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

To the Members of ASIA ENTERPRISES HOLDING LIMITED

Auditor's responsibilities for the audit of the financial statements (Cont'd)

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Beng Teck.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

29 February 2024

Engagement partner – effective from year ended 31 December 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

REPORTING YEAR ENDED 31 DECEMBER

		Group	
	Notes	2023 $'000	2022 $'000
Revenue	5	**95,450**	73,522
Cost of sales		**(80,022)**	(59,888)
Gross profit		**15,428**	13,634
Other income and gains	6	**1,597**	875
Marketing and distribution costs		**(1,061)**	(721)
Administrative expenses		**(7,291)**	(6,829)
Finance costs	7	**(320)**	(340)
Other losses	6	**(583)**	(1,150)
Profit before tax from continuing operations		**7,770**	5,469
Income tax expense	9	**(1,706)**	(1,720)
Profit from continuing operations, net of tax and total comprehensive income		**6,064**	3,749
Earnings per share	10	**Cents**	**Cents**
Earnings per share currency unit			
Basic		**1.78**	1.10
Diluted		**1.78**	1.10

The accompanying notes form an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER

	Notes	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	**12,339**	13,975	**–**	–
Right-of-use assets	13	**7,862**	8,457	**–**	–
Investment property	14	**370**	390	**–**	–
Investments in subsidiaries	15	**–**	–	**45,680**	45,680
Other financial assets, non-current	16	**3,304**	4,582	**751**	1,254
Other non-financial assets	17	**–**	–	**–**	–
Total non-current assets		**23,875**	27,404	**46,431**	46,934
Current assets					
Inventories	18	**26,757**	34,176	**–**	–
Trade and other receivables	19	**18,112**	19,515	**13,913**	12,539
Other financial assets, current	16	**4,803**	5,857	**629**	1,139
Cash and cash equivalents	20	**41,875**	33,740	**1,626**	1,095
Total current assets		**91,547**	93,288	**16,168**	14,773
Total assets		**115,422**	120,692	**62,599**	61,707
EQUITY AND LIABILITIES					
Equity					
Share capital	21	**58,856**	58,856	**58,856**	58,856
Treasury shares	21	**(138)**	(138)	**(138)**	(138)
Retained earnings		**41,208**	37,873	**3,553**	2,728
Capital reserve	22	**575**	575	**–**	–
Total equity		**100,501**	97,166	**62,271**	61,446
Non-current liabilities					
Provisions, non-current	23	**1,551**	1,504	**–**	–
Deferred tax liabilities	9	**845**	864	**–**	–
Lease liabilities, non-current	24	**7,931**	8,448	**–**	–
Total non-current liabilities		**10,327**	10,816	**–**	–
Current liabilities					
Income tax payable		**1,812**	1,466	**61**	19
Provisions, current	23	**422**	533	**–**	–
Lease liabilities, current	24	**530**	504	**–**	–
Trade and other payables	25	**1,760**	3,992	**267**	242
Derivative financial liabilities	26	**70**	–	**–**	–
Other non-financial liabilities	27	**–**	6,215	**–**	–
Total current liabilities		**4,594**	12,710	**328**	261
Total liabilities		**14,921**	23,526	**328**	261
Total equity and liabilities		**115,422**	120,692	**62,599**	61,707

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

REPORTING YEAR ENDED 31 DECEMBER

Group	Total equity $'000	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Retained earnings $'000
Current year:					
Opening balance at 1 January 2023	**97,166**	**58,856**	**(138)**	**575**	**37,873**
Changes in equity:					
Total comprehensive income for the year ended 31 December 2023	**6,064**	**–**	**–**	**–**	**6,064**
Dividends (Note 11)	**(2,729)**	**–**	**–**	**–**	**(2,729)**
Closing balance at 31 December 2023	**100,501**	**58,856**	**(138)**	**575**	**41,208**
Previous year:					
Opening balance at 1 January 2022	96,146	58,856	(138)	575	36,853
Changes in equity:					
Total comprehensive income for the year ended 31 December 2022	3,749	–	–	–	3,749
Dividends (Note 11)	(2,729)	–	–	–	(2,729)
Closing balance at 31 December 2022	97,166	58,856	(138)	575	37,873

Company	Total equity $'000	Share capital $'000	Treasury shares $'000	Retained earnings $'000
Current year:				
Opening balance at 1 January 2023	**61,446**	**58,856**	**(138)**	**2,728**
Changes in equity:				
Total comprehensive income for the year ended 31 December 2023	**3,554**	**–**	**–**	**3,554**
Dividends (Note 11)	**(2,729)**	**–**	**–**	**(2,729)**
Closing balance at 31 December 2023	**62,271**	**58,856**	**(138)**	**3,553**
Previous year:				
Opening balance at 1 January 2022	62,223	58,856	(138)	3,505
Changes in equity:				
Total comprehensive income for the year ended 31 December 2022	1,952	–	–	1,952
Dividends (Note 11)	(2,729)	–	–	(2,729)
Closing balance at 31 December 2022	61,446	58,856	(138)	2,728

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

REPORTING YEAR ENDED 31 DECEMBER

	Group	
	2023 $'000	2022 $'000
Cash flows from/(used in) operating activities		
Profit before tax	**7,770**	5,469
Adjustment for:		
Interest income	**(1,064)**	(514)
Interest expense	**11**	–
Interest expense on lease liabilities	**262**	297
Unwinding of discount arise from provision for dismantling and removing	**47**	43
Inventory write down	**472**	342
Provision for club membership	**–**	50
Depreciation of property, plant and equipment	**2,148**	2,127
Depreciation of right-of-use assets	**612**	600
Depreciation of investment property	**20**	20
Reversal of employee benefits	**(111)**	(47)
Gain on disposal of property, plant and equipment	**(68)**	(2)
Gain on disposal of investments in FVTPL	**–**	(9)
Loss on disposal of investments in debt asset instruments at amortised cost	**–**	2
Unrealised loss on derivative financial instruments	**70**	–
Fair value losses on investments at FVTPL, net	**41**	758
Operating cash flows before changes in working capital	**10,210**	9,136
Inventories	**6,947**	(11,165)
Trade and other receivables	**1,389**	(11,743)
Trade and other payables	**(2,232)**	(1,623)
Other non-financial liabilities	**(6,215)**	6,215
Net cash flows from/(used in) operations	**10,099**	(9,180)
Income taxes paid	**(1,379)**	(242)
Net cash flows from/(used in) operating activities	**8,720**	(9,422)
Cash flows from investing activities		
Other financial assets – decrease	**2,291**	2,063
Proceeds from disposal of property, plant and equipment	**74**	2
Purchase of property, plant and equipment	**(518)**	(231)
Interest received	**1,078**	540
Net cash flows from investing activities	**2,925**	2,374
Cash flows used in financing activities		
Dividends paid to equity owners	**(2,729)**	(2,729)
Interest paid	**(11)**	–
Lease liabilities – principal paid	**(508)**	(465)
Lease liabilities – interest portion	**(262)**	(297)
Net cash flows used in financing activities	**(3,510)**	(3,491)
Net increase/(decrease) in cash and cash equivalents	**8,135**	(10,539)
Cash and cash equivalents, statement of cash flows, beginning balance	**33,740**	44,279
Cash and cash equivalents, statement of cash flows, ending balance (Note 20)	**41,875**	33,740

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. GENERAL

Asia Enterprises Holding Limited (the "Company") (Registration No: 200501021H) is incorporated in Singapore with limited liability. The financial statements are presented in Singapore Dollar ("$") and they cover the Company (referred to as "Parent") and the subsidiaries. All financial information presented in Singapore dollars have been rounded to the nearest thousand ("$'000"), unless when otherwise indicated.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and revise the financial statements.

The Company is an investment holding company. It is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activities of the subsidiaries are described in the notes to the financial statements in Note 15.

The registered office is: No. 3 Pioneer Sector Walk Singapore 627897. The Company is situated in Singapore.

Macroeconomic conditions related disclosures:

The conditions remain challenging with geopolitical instability and affecting domestic and global growth in the current high interest environment.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRSs (I)") and the related Interpretations to SFRSs (I) ("SFRSs (I) INT") as issued by the Accounting Standards Committee under Accounting and Corporate Regulatory Authority ("ASC"). They comply with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

Basis of preparation of the financial statements

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material.

Basis of presentation and principles of consolidated

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee. They are de-consolidated from the date that control ceases.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. DISCLOSURES OF MATERIAL ACCOUNTING POLICY AND OTHER EXPLANATORY INFORMATION

Disclosures are made on the accounting policy and other explanatory information relating to material transactions, other events or conditions if that information is material to the financial statements or is required by a financial reporting standard. Entity-specific information that relates to more than one account balance or a class of material transactions is described in Note 2A below. An account balance entity-specific information is disclosed in the relevant respective account balances in the financial statements.

Foreign currency transactions

The functional currency is the Singapore Dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

2A. Material accounting policy and other explanatory information – general

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are material differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

Other specific material accounting policy and other explanatory information

These are disclose at the relevant notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. DISCLOSURES OF MATERIAL ACCOUNTING POLICY AND OTHER EXPLANATORY INFORMATION (Cont'd)

2B. Critical judgements, assumptions and estimation uncertainties

Disclosures on material information about the assumptions management made about the future, and other major sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the corresponding notes to these financial statements. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

(1) Estimation of useful lives of property, plant and equipment. See Note 12.

(2) Assessment of allowance on inventories. See Note 18.

(3) Assessment of expected credit loss allowance on trade receivables. See Note 19.

(4) Provisions for dismantling and removing. See Note 23A.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the Company to disclose: (a) related party relationships, transactions and outstanding balances, including commitment; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Members of a group:

Related companies in these financial statements include the members of the Company's group of companies.

3B. Related party transactions:

There are transactions and arrangements between the Company and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations, if any, are unsecured, without fixed repayment terms and interest or charge unless stated otherwise. The transactions were not material.

Intra-group transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3C. Key management compensation:

	Group	
	2023	**2022**
	$'000	**$'000**
Salaries and other short-term employee benefits	**1,566**	1,433

The above amounts are included under employee benefits expense. Included in the above amounts are following items:

	2023	**2022**
	$'000	**$'000**
Remuneration of directors of the Company	**760**	665
Fees to directors of the Company	**186**	186

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Cont'd)

3C. Key management compensation: (Cont'd)

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

Material accounting policy and other explanatory information – Segment reporting:

The Group discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker to allocate resources and in assessing performance. Generally, financial information on segments is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the Group.

4A. Information about reportable segment profit or loss, assets and liabilities

For management purposes the Group is organised into the following major strategic operating segments that offer different products and services: (1) steel distribution, (2) provision of steel processing and (3) corporate. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segment and the types of products and services are as follows:

(a) Steel distribution – procuring, distributing and trading of steel products

(b) Provision of steel processing – processing of steel materials for sale

(c) Corporate – investment and management activities

Inter-segment sales are measured on the basis that the Group actually used to price the transfers. Internal transfer pricing policies of the Group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those used by the Group.

The management reporting system evaluates performances based on a number of factors. However the primary profitability measurement to evaluate a segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation and amortisation, interests and income taxes ("Recurring EBITDA") and (2) operating result before interests and income taxes and other unallocated items ("ORBIT").

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities. Certain information on revenue is also given in Note 5.

NOTES TO THE FINANCIAL STATEMENTS

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4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (Cont'd)

4B. Profit or loss from continuing operations and reconciliations

Group	Steel distribution $'000	Provision of steel processing $'000	Corporate $'000	Unallocated $'000	Total $'000
1 January 2023 to 31 December 2023					
Revenue by segment:					
Total revenue by segment	93,043	2,575	55	–	95,673
Inter-segment sales	(90)	(78)	(55)	–	(223)
Total revenue	92,953	2,497	–	–	95,450
Recurring EBITDA	9,255	530	10	–	9,795
Depreciation	(2,438)	(342)	–	–	(2,780)
Interest income	–	–	–	1,064	1,064
Interest expense on lease liabilities	–	–	–	(262)	(262)
Unwinding of discount from provision for dismantling and removing	–	–	–	(47)	(47)
ORBIT	6,817	188	10	755	7,770
Other unallocated items					–
Profit before tax from continuing operations					7,770
Income tax expense					(1,706)
Profit from continuing operations					6,064
Other material items and reconciliations:					
Depreciation expense	2,438	342	–	–	2,780
Assets and reconciliation:					
Total assets for reportable segments	98,026	14,105	3,027	–	115,158
Unallocated assets	–	–	–	264	264
Total group assets	98,026	14,105	3,027	264	115,422
Liabilities and reconciliations:					
Total liabilities for reportable segments	6,768	5,015	267	–	12,050
Other payables	21	193	–	–	214
Income tax payable	–	–	–	1,812	1,812
Deferred tax liabilities	–	–	–	845	845
Total group liabilities	6,789	5,208	267	2,657	14,921

NOTES TO THE FINANCIAL STATEMENTS

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4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (Cont'd)

4B. Profit or loss from continuing operations and reconciliations (Cont'd)

Group	Steel distribution $'000	Provision of steel processing $'000	Corporate $'000	Unallocated $'000	Total $'000
1 January 2022 to 31 December 2022					
Revenue by segment:					
Total revenue by segment	70,314	3,348	55	–	73,717
Inter-segment sales	(85)	(55)	(55)	–	(195)
Total revenue	70,229	3,293	–	–	73,522
Recurring EBITDA	7,758	409	(125)	–	8,042
Depreciation	(2,369)	(378)	–	–	(2,747)
Interest income	–	–	–	514	514
Interest expense on lease liabilities	–	–	–	(297)	(297)
Unwinding of discount from provision for dismantling and removing	–	–	–	(43)	(43)
ORBIT	5,389	31	(125)	174	5,469
Other unallocated items					–
Profit before tax from continuing operations					5,469
Income tax expense					(1,720)
Profit from continuing operations					3,749
Other material items and reconciliations:					
Depreciation expense	2,369	378	–	–	2,747
Assets and reconciliation:					
Total assets for reportable segments	100,789	16,004	3,528	–	120,321
Unallocated assets	–	–	–	371	371
Total group assets	100,789	16,004	3,528	371	120,692
Liabilities and reconciliations:					
Total liabilities for reportable segments	15,565	5,272	240	–	21,077
Other payables	16	103	–	–	119
Income tax payable	–	–	–	1,466	1,466
Deferred tax liabilities	–	–	–	864	864
Total group liabilities	15,581	5,375	240	2,330	23,526

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4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (Cont'd)

4C. Geographical information

The Group's operations are located in Singapore.

An analysis of the Group revenue by geographical area which is analysed based on the billing address of each individual customer is provided below. In addition, non-current assets analysed by the geographical area in which the assets are located are also tabled below.

The following table provides an analysis of the revenue by geographical market, irrespective of the origin of the goods and services:

	Group	
	2023	**2022**
	$'000	**$'000**
Singapore	**47,547**	39,240
Indonesia	**46,231**	31,006
Malaysia	**1,631**	3,160
Other regions	**41**	116
Total revenue	**95,450**	73,522

The following table provides an analysis of the carrying amount of non-current assets analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and deferred tax assets:

	Group Non-current assets	
	2023	**2022**
	$'000	**$'000**
Singapore	**20,571**	22,822

5. REVENUE

	Group	
	2023	**2022**
	$'000	**$'000**
Sales of goods and related services	**93,696**	71,597
Service income	**1,022**	1,232
Rental income	**729**	681
Others	**3**	12
Total revenue	**95,450**	73,522

The revenue is from sales of goods and services based on point in time and all the contracts with customers are less than 12 months.

Material accounting policy and other explanatory information – Revenue:

General – Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

NOTES TO THE FINANCIAL STATEMENTS

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5. REVENUE (Cont'd)

Material accounting policy and other explanatory information – Revenue: (Cont'd)

Sale of goods – Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Services – Revenue from service orders and term projects is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs. For services that are not material transactions revenue is recognised as the services are provided.

Rental income – Rental income is recognised on a straight-line basis over the term of the relevant lease, even if the payments are not on that basis.

6. OTHER INCOME AND GAINS AND (OTHER LOSSES)

	Group	
	2023	**2022**
	$'000	**$'000**
Dividend income	**199**	207
Fair value losses on investments at FVTPL, net	**(41)**	(758)
Foreign exchange adjustments gains	**225**	54
Gain on disposal of investments at FVTPL	**–**	9
Gain on disposal of property, plant and equipment	**68**	2
Government grant	**31**	39
Interest income from financial institutions	**825**	251
Inventory write down	**(472)**	(342)
Loss on disposal of investments in debt asset instruments at amortised cost	**–**	(2)
Other interest income	**239**	263
Provision for club membership	**–**	(50)
Unrealised loss on derivative financial instruments	**(70)**	–
Sundry income	**10**	52
Net	**1,014**	(275)
Presented in profit or loss as:		
Other income and gains	**1,597**	875
Other losses	**(583)**	(1,150)
	1,014	(275)

Material accounting policy and other explanatory information – Other income:

Interest income is recognised using the effective interest method.

7. FINANCE COSTS

	Group	
	2023	**2022**
	$'000	**$'000**
Unwinding of discount from provision for dismantling and removing	**47**	43
Interest on lease liabilities	**262**	297
Interest expenses	**11**	–
Total finance costs	**320**	340

NOTES TO THE FINANCIAL STATEMENTS

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8. EMPLOYEE BENEFITS EXPENSE

	Group	
	2023	**2022**
	$'000	**$'000**
Short-term employee benefits expense	**3,322**	3,203
Contributions to defined contribution plan	**332**	266
Other benefits	**173**	142
Total employee benefits expense	**3,827**	3,611
Presented in profit or loss as:		
Cost of sales	**386**	418
Administrative expenses	**3,441**	3,193
	3,827	3,611

Material accounting policy and other explanatory information – Employee benefits:

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The Company's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

9. INCOME TAX EXPENSE

9A. Components of tax expense recognised in profit or loss include:

	Group	
	2023	**2022**
	$'000	**$'000**
Income tax expense:		
Current tax expense	**1,786**	1,406
(Over)/under adjustments in respect of prior periods	**(61)**	45
Subtotal	**1,725**	1,451
Deferred tax expense:		
Deferred tax (income)/expense	**(19)**	139
Under adjustments in respect of prior periods	**–**	130
Subtotal	**(19)**	269
Total income tax expense	**1,706**	1,720

NOTES TO THE FINANCIAL STATEMENTS

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9. INCOME TAX EXPENSE (Cont'd)

9A. Components of tax expense recognised in profit or loss include: (Cont'd)

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2022: 17.0%) to profit or loss before income tax as a result of the following differences:

	Group	
	2023	**2022**
	$'000	**$'000**
Profit before tax	**7,770**	5,469
Income tax expense at the above rate	**1,321**	930
Expenses not deductible for tax purposes	**509**	676
Income not subject to tax	**(12)**	–
Tax exemptions and rebate	**(51)**	(61)
(Over)/under adjustments to tax in respect of prior periods	**(61)**	175
Total income tax expense	**1,706**	1,720

There are no income tax consequences of dividends to owners of the Company.

9B. Deferred tax expense recognised in profit or loss include:

	Group	
	2023	**2022**
	$'000	**$'000**
Excess of tax value over book value of plant and equipment	**25**	205
Excess of book value of plant and equipment over tax value	**(54)**	–
Tax loss carry-forwards	**–**	105
Deferred tax relating to depreciation expense on right-of-use assets and interest on lease liabilities	**10**	(41)
Total deferred tax (income)/expense recognised in profit or loss	**(19)**	269

9C. Deferred tax balance in the statement of financial position:

	Group	
	2023	**2022**
	$'000	**$'000**
From deferred tax liabilities recognised in profit or loss:		
Excess of book value of plant and equipment over tax values	**784**	813
Deferred tax relating to depreciation expense on right-of-use assets and interest on lease liabilities	**61**	51
Total deferred tax liabilities	**845**	864

It is impracticable to estimate the amount expected to be settled or used within one year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. INCOME TAX EXPENSE (Cont'd)

9C. Deferred tax balance in the statement of financial position: (Cont'd)

Material accounting policy and other explanatory information – Income tax:

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current income tax is the expected tax payable on the taxable income for the reporting year; calculated using rates enacted or substantively enacted at the statements of financial position date; and inclusive of any adjustment to income tax payable or recoverable in respect of previous reporting years. Deferred tax is recognised using the liability method; based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective income tax bases; and determined using tax rates that have been enacted or substantively enacted by the reporting year end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

10. EARNINGS PER SHARE

The following table illustrates the numerators and denominators used to calculate basic and diluted amount per share of no par value:

	Group	
	2023 **$'000**	**2022** **$'000**
Numerators: earnings attributable to equity:		
Profit for the year	**6,064**	3,749
	2023 **'000**	**2022** **'000**
Denominators: weighted average number of equity shares:		
Basic	**341,129***	341,129*

* Excluding non-voting 788,600 treasury shares and subsidiary shareholdings.

The weighted average number of ordinary shares refers to shares in issue outstanding during the reporting period.

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year.

There is no dilutive effect from the share options as they are anti-dilutive because their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

NOTES TO THE FINANCIAL STATEMENTS

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11. DIVIDENDS ON EQUITY SHARES

	Group and Company	
	2023	2022
	$'000	$'000
Final tax exempt (1-tier) dividend paid of 0.8 cent (2022: 0.8 cent) per share	**2,729**	2,729

In respect of the current reporting year, the directors have proposed that a final dividend of 1.0 cent per share with a total of $3,411,289 be paid to shareholders after the next annual general meeting. There are no income tax consequences to the Company. This dividend is subject to approval by shareholders at the next annual general meeting and has not been included as a liability in these financial statements. The proposed dividend is payable in respect of all ordinary shares in issue at the end of the reporting year and including any new qualifying shares issued up to the date the dividend becomes payable.

12. PROPERTY, PLANT AND EQUIPMENT

Group	**Leasehold properties $'000**	**Plant and equipment $'000**	**Total $'000**
Cost:			
At 1 January 2022	25,249	11,585	36,834
Additions	–	231	231
Disposals	–	(146)	(146)
At 31 December 2022	25,249	11,670	36,919
Additions	–	518	518
Disposals	–	(372)	(372)
At 31 December 2023	**25,249**	**11,816**	**37,065**
Accumulated depreciation:			
At 1 January 2022	11,015	9,948	20,963
Depreciation for the year	1,570	557	2,127
Disposals	–	(146)	(146)
At 31 December 2022	12,585	10,359	22,944
Depreciation for the year	1,570	578	2,148
Disposals	–	(366)	(366)
At 31 December 2023	**14,155**	**10,571**	**24,726**
Carrying value:			
At 1 January 2022	14,234	1,637	15,871
At 31 December 2022	12,664	1,311	13,975
At 31 December 2023	**11,094**	**1,245**	**12,339**

NOTES TO THE FINANCIAL STATEMENTS

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12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Material accounting policy information other explanatory information – Property, plant and equipment:

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for certain leased assets, the shorter lease term). An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 23A on non-current provisions.

The annual rates of depreciation are as follows:

Leasehold property	–	Over the term of lease that are from 2.0% to 14.0%
Plant and equipment	–	8.3% to 33.3%

Allocation of the depreciation expense:

	Group	
	2023	**2022**
	$'000	**$'000**
Cost of sales	**170**	170
Administrative expenses	**1,978**	1,957
Total	**2,148**	2,127

Certain motor vehicles of the Group at a carrying value of $260,600 (2022: $49,800) are held in trust by certain directors of the Group.

Fully depreciated plant and equipment still in use had an initial cost of $7,685,000 (2022: $7,576,000).

Estimating of useful lives of property, plant and equipment:

The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and other factors that could change materially because of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected.

NOTES TO THE FINANCIAL STATEMENTS

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13. RIGHT-OF-USE ASSETS

The right-of-use assets in the statement of financial position. The details are as follows:

	Leasehold land $'000
Group	
Cost:	
At 1 January 2022	10,824
Remeasurement	221
At 31 December 2022	11,045
Remeasurement	17
At 31 December 2023	**11,062**
Accumulated depreciation:	
At 1 January 2022	1,988
Depreciation for the year	600
At 31 December 2022	2,588
Depreciation for the year	612
At 31 December 2023	**3,200**
Carrying value:	
At 1 January 2022	8,836
At 31 December 2022	8,457
At 31 December 2023	**7,862**

Material accounting policy information other explanatory information – Leases of lessee:

A lease conveys the right-to-use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised right-of-use asset is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. An interest expense is recognised on the lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

Material accounting policy information other explanatory information – Leases of lessor:

For a lessor a lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Operating leases are for rental income. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

NOTES TO THE FINANCIAL STATEMENTS

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13. RIGHT-OF-USE ASSETS (Cont'd)

The right-of-use assets are accounted and presented as if they were owned such as property plant and equipment. The annual rates of depreciation are as follows:

Leasehold land – Over the term of lease that are from 2.0% to 14.0%

Allocation of the depreciation expense:

	Group	
	2023	**2022**
	$'000	**$'000**
Cost of sales	**121**	153
Administrative expenses	**491**	447
Total	**612**	600

14. INVESTMENT PROPERTY

	Group	
	2023	**2022**
	$'000	**$'000**
Cost:		
At 1 January	**886**	886
At 31 December	**886**	886
Accumulated depreciation:		
At 1 January	**496**	476
Depreciation for the year	**20**	20
At 31 December	**516**	496
Carrying value:		
At 1 January	**390**	410
At 31 December	**370**	390
Fair value for disclosure purpose only:		
Fair value at end of the year	**1,863**	1,924
Rental and service income from investment property	**82**	66
Direct operating expenses arising from investment property that generated rental income during the year	**(26)**	(16)

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14. INVESTMENT PROPERTY (Cont'd)

Material accounting policy information other explanatory information – Investment property:

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee as a right-of-use asset under a finance lease) to earn rentals or for capital appreciation or both, rather than for: (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the cost model is used to measure the investment property using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value. For disclosure purposes only, the fair values are measured periodically on a systematic basis by management.

The annual rate of depreciation for investment property is over the term of lease that is 2.20% and is leased out under operating leases.

The fair value of the investment property is stated on the existing use basis to reflect the actual market state and circumstances as of the end of the reporting year and not as of either a past or future date. The fair value is determined periodically on a systematic basis. The fair value was based on a valuation made by management based on reference to market evidence of transaction prices to similar properties. The fair value is regarded as Level 3, the lowest level for fair value measurement, as the valuation includes inputs for the asset that are not based on observable market data (unobservable inputs).

For fair value measurements categorised within the fair value hierarchy below, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows:

Asset:	Leasehold property
Fair value and fair value hierarchy – Level:	$1,863,000 (2022: $1,924,000). Level 3. (2022: Level 3).
Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent transaction prices for similar properties.
Significant observable inputs and range (weighted average):	Price per square metre. $9,289 (2022: $9,594)
Relationship of unobservable inputs to fair value:	NA.
Sensitivity on management's estimates – 10% variation from estimate.	Impact – lower by $186,300; higher by $186,300.

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15. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 $'000	2022 $'000
Unquoted shares at cost	**45,680**	45,680

The subsidiaries held by the Company and the Group are listed below:

Name of subsidiaries, country of incorporation, place of operations, principal activities, and independent auditors:	Cost in books of Company		Effective percentage of equity held	
	2023 $'000	2022 $'000	2023 %	2022 %
Held by the Company				
Asia Enterprises (Private) Limited [(1)] Singapore Importing, exporting and marketing of steel products	**41,130**	41,130	**100**	100
Asia-Beni Steel Industries (Pte) Ltd [(1)] Singapore Processing and marketing of steel products	**4,550**	4,550	**100**	100

(1) Audited by RSM Chio Lim LLP in Singapore

Material accounting policy information other explanatory information – Subsidiaries:

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity. The investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

16. OTHER FINANCIAL ASSETS

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Balance is made up of:				
Non-current:				
A. Investments in debt asset instruments at amortised cost	**3,304**	4,582	**751**	1,254
Total non-current portion	**3,304**	4,582	**751**	1,254
Current:				
A. Investments in debt asset instruments at amortised cost	**1,261**	2,274	**501**	1,013
B. Investment at fair value through profit or loss ("FVTPL")	**3,542**	3,583	**128**	126
Total current portion	**4,803**	5,857	**629**	1,139
Total at end of the year	**8,107**	10,439	**1,380**	2,393

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16. OTHER FINANCIAL ASSETS (Cont'd)

16A. Investments in debt asset instruments at amortised cost

A1. Movement in balances

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Movements during the year – at amortised cost:				
Amortised cost at beginning of the year	**6,856**	8,900	**2,267**	3,531
Redemption at cost	**(2,250)**	(1,998)	**(1,000)**	(1,248)
Deaccretion in amortised cost	**(41)**	(46)	**(15)**	(16)
Amortised cost at end of the year	**4,565**	6,856	**1,252**	2,267

A2. Disclosures relating to investments in debt asset instruments at amortised cost

	Group			
	2023 $'000	2022 $'000	2023 %	2022 %
Quoted bonds in corporations with fixed interest of 4.20% and maturing on 18 September 2028 (effective rate 4.17%), Singapore – at amortised cost	**–**	250	**–**	3
Quoted bonds in corporations with fixed interest of 6.125% and maturing on 16 October 2167 (effective rate 5.52%), Singapore – at amortised cost	**251**	253	**6**	4
Quoted bonds in corporations with fixed interest of 6.125% and maturing on 16 October 2167 (effective rate 5.72%), Singapore – at amortised cost	**251**	253	**6**	4
Quoted bonds in corporations with fixed interest of 5.375% and maturing on 3 October 2167 (effective rate 4.09%), Singapore – at amortised cost	**254**	256	**6**	4
Quoted bonds in corporations with fixed interest of 5.375% and maturing on 3 October 2167 (effective rate 3.84%), Singapore – at amortised cost	**254**	257	**6**	4
Quoted bonds in corporations with fixed interest of 5.375% and maturing on 3 October 2167 (effective rate 5.11%), Singapore – at amortised cost	**251**	251	**6**	4
Quoted bonds in corporations with fixed interest of 5.875% and maturing on 28 May 2167 (effective rate 3.66%), Singapore – at amortised cost	**–**	511	**–**	7
Quoted bonds in corporations with fixed interest of 5.875% and maturing on 28 May 2167 (effective rate 3.76%), Singapore – at amortised cost	**–**	255	**–**	4

NOTES TO THE FINANCIAL STATEMENTS

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16. OTHER FINANCIAL ASSETS (Cont'd)

16A. Investments in debt asset instruments at amortised cost (Cont'd)

A2. Disclosures relating to investments in debt asset instruments at amortised cost (Cont'd)

	Group			
	2023 $'000	2022 $'000	2023 %	2022 %
Quoted bonds in corporations with fixed interest of 5.875% and maturing on 28 May 2167 (effective rate 5.08%), Singapore – at amortised cost	**–**	504	**–**	7
Quoted bonds in corporations with fixed interest of 3.98% and maturing on 12 March 2167 (effective rate 3.42%), Singapore – at amortised cost	**506**	508	**11**	7
Quoted bonds in corporations with fixed interest of 4.0% and maturing on 24 February 2167 (effective rate 3.46%), Singapore – at amortised cost	**–**	503	**–**	7
Quoted bonds in corporations with fixed interest of 3.0% and maturing on 17 March 2169 (effective rate 3.0%), Singapore – at amortised cost	**250**	250	**5**	3
Quoted bonds in corporations with fixed interest of 3.8% and maturing on 20 January 2028 (effective rate 2.23%), Singapore – at amortised cost	**–**	252	**–**	4
Quoted bonds in corporations with fixed interest of 3.3% and maturing on 14 October 2169 (effective rate 3.27%), Singapore – at amortised cost	**250**	250	**5**	3
Quoted bonds in corporations with fixed interest of 3.15% and maturing on 11 November 2169 (effective rate 3.15%), Singapore – at amortised cost	**250**	250	**5**	3
Quoted bonds in corporations with fixed interest of 5.65% and maturing on 2 September 2169 (effective rate 5.51%), Singapore – at amortised cost	**251**	251	**6**	4
Quoted bonds in corporations with fixed interest of 3.375% and maturing on 24 February 2031 (effective rate 2.91%), Singapore – at amortised cost	**258**	259	**6**	3
Quoted bonds in corporations with fixed interest of 3.38% and maturing on 24 February 2031 (effective rate 2.92%), Singapore – at amortised cost	**520**	522	**11**	8

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

16. OTHER FINANCIAL ASSETS (Cont'd)

16A. Investments in debt asset instruments at amortised cost (Cont'd)

A2. Disclosures relating to investments in debt asset instruments at amortised cost (Cont'd)

	Group			
	2023 $'000	2022 $'000	2023 %	2022 %
Quoted bonds in corporations with fixed interest of 3.75% and maturing on 23 May 2030 (effective rate 3.11%), Singapore – at amortised cost	**519**	521	**11**	8
Quoted bonds in corporations with fixed interest of 2.55% and maturing on 22 December 2169 (effective rate 2.53%), Singapore – at amortised cost	**250**	250	**5**	4
Quoted bonds in corporations with fixed interest of 3.725% and maturing on 2 May 2170 (effective rate 3.73%), Singapore – at amortised cost	**250**	250	**5**	4
Total investments in debt asset instruments at amortised cost	**4,565**	6,856	**100**	100

	Company			
	2023 $'000	2022 $'000	2023 %	2022 %
Quoted bonds in corporations with fixed interest of 4.20% and maturing on 18 September 2028 (effective rate 4.17%), Singapore – at amortised cost	**–**	250	**–**	11
Quoted bonds in corporations with fixed interest of 6.125% and maturing on 16 October 2167 (effective rate 5.72%), Singapore – at amortised cost	**251**	253	**20**	11
Quoted bonds in corporations with fixed interest of 5.375% and maturing on 3 October 2167 (effective rate 5.11%), Singapore – at amortised cost	**251**	251	**20**	11
Quoted bonds in corporations with fixed interest of 5.875% and maturing on 28 May 2167 (effective rate 3.66%), Singapore – at amortised cost	**–**	256	**–**	12
Quoted bonds in corporations with fixed interest of 5.875% and maturing on 28 May 2167 (effective rate 3.76%), Singapore – at amortised cost	**–**	255	**–**	11
Quoted bonds in corporations with fixed interest of 3.0% and maturing on 17 March 2169 (effective rate 3.0%), Singapore – at amortised cost	**250**	250	**20**	11

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

16. OTHER FINANCIAL ASSETS (Cont'd)

16A. Investments in debt asset instruments at amortised cost (Cont'd)

A2. Disclosures relating to investments in debt asset instruments at amortised cost (Cont'd)

	Company			
	2023 $'000	**2022 $'000**	**2023 %**	**2022 %**
Quoted bonds in corporations with fixed interest of 3.8% and maturing on 20 January 2028 (effective rate 2.23%), Singapore – at amortised cost	**–**	252	**–**	11
Quoted bonds in corporations with fixed interest of 3.3% and maturing on 14 October 2169 (effective rate 3.27%), Singapore – at amortised cost	**250**	250	**20**	11
Quoted bonds in corporations with fixed interest of 3.15% and maturing on 11 November 2169 (effective rate 3.15%), Singapore – at amortised cost	**250**	250	**20**	11
Total investments in debt asset instruments at amortised cost	**1,252**	2,267	**100**	100

A3. Disclosures relating to fair value of investments in debt asset instruments at amortised cost

The debt asset instruments measured at amortised cost is categorised under Level 2 of the fair value hierarchy. The carrying value approximate their fair values of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

A4. Credit rating of the debt asset instruments at amortised cost

The debt investments carried at amortised cost are subject to the expected credit loss model under the standard on financial instruments. The debt investments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the reporting year is limited to 12 months expected losses. Listed bonds are regarded as of low credit risk if they have an investment grade credit rating with one or more reputable rating agencies.

The debt investments are regarded as of low credit risk if they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk.

NOTES TO THE FINANCIAL STATEMENTS

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16. OTHER FINANCIAL ASSETS (Cont'd)

16B. Investments at FVTPL

B1. Movements in balances

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Movement during the year:				
Fair value at beginning of the year	**3,583**	4,353	**126**	136
Disposal	**–**	(12)	**–**	–
Fair value (losses)/gain on investments at FVTPL	**(41)**	(758)	**2**	(10)
Fair value at end of the year	**3,542**	3,583	**128**	126

B2. Disclosures relating to investments at FVTPL

		Group	
	Level	2023 $'000	2022 $'000
Debt assets investments:			
Mutual funds investments – high yield debt securities, China, US, Taiwan, North America, UK, Europe, Asia Pacific ex-Japan	2	**3,542**	3,583

		Company	
	Level	2023 $'000	2022 $'000
Debt assets investments:			
Mutual funds investments – high yield debt securities, China, US, Taiwan, North America, UK, Europe, Asia Pacific ex-Japan	2	**128**	126

For fair value measurements categorised within Level 2 of the fair value hierarchy, the carrying value approximate the fair values of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

B3. Sensitivity analysis for price risk of investment at FVTPL

Certain financial instruments are exposed to market price risk arising from uncertainties about future values of the financial instruments. Sensitivity analysis: The effect is as follows:

	Group	
	2023 $'000	2022 $'000
A hypothetical 10% decrease in the market price of debt asset investments FVTPL would have an effect on fair value of debt asset investments and pre-tax profit for the year by	**(354)**	(358)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

16. OTHER FINANCIAL ASSETS (Cont'd)

16B. Investments at FVTPL (Cont'd)

B3. Sensitivity analysis for price risk of investment at FVTPL (Cont'd)

Certain financial instruments are exposed to market price risk arising from uncertainties about future values of the financial instruments. Sensitivity analysis: The effect is as follows: (Cont'd)

	Company	
	2023	**2022**
	$'000	**$'000**
A hypothetical 10% decrease in the market price of debt asset investments FVTPL would have an effect on fair value of debt asset investments and pre-tax profit for the year by	**(13)**	(13)

For similar price increases in the fair value of the above financial assets, there would be comparable impacts in the opposite direction.

17. OTHER NON-FINANCIAL ASSETS

	Group	
	2023	**2022**
	$'000	**$'000**
Club membership at cost	**300**	300
Allowance for impairment	**(300)**	(300)
	–	–
Movements in above allowance:		
Balance at beginning of the year	**(300)**	(250)
Additions (Note 6)	**–**	(50)
Balance at end of the year	**(300)**	(300)

The carrying value of club membership is at cost. The fair value of the club membership is deemed to be not reliably measurable as the probabilities of the various estimates within the range cannot be reasonably assessed as used in estimating fair values. Consequently it is carried at cost less allowance for impairment.

The club membership is held in trust by one of the directors of the Company, and has ceased by the club operator since 11 June 2021.

NOTES TO THE FINANCIAL STATEMENTS

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18. INVENTORIES

	Group	
	2023 $'000	2022 $'000
Goods in transit	**1,558**	2,931
Finished goods and goods for resale	**24,194**	29,948
Raw material and processed steel	**1,005**	1,297
Subtotal	**26,757**	34,176
The amount of inventories charged to cost of sales	**78,599**	58,253
The write-downs of inventories charged to profit or loss included in other losses (Note 6)	**472**	342

Material accounting policy information other explanatory information – Inventories:

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the weighted average method and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

There are no inventories pledged as security for liabilities.

Assessing of allowance on inventories:

The assessment of the allowance for impairment loss on inventories requires a degree of estimation and judgement. The level of the loss allowance is assessed by taking into account the recent sales experience, the aging of inventories, other factors that affect inventory obsolescence and subsequent events. Possible changes in these estimates could result in revisions to the stated value of the inventories.

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trade receivables:				
Outside parties	**18,782**	19,691	**–**	–
Less allowance for impairment	**(1,334)**	(1,334)	**–**	–
Subsidiaries	**–**	–	**–**	103
Net trade receivables – subtotal	**17,448**	18,357	**–**	103
Other receivables:				
Outside parties	**475**	868	**25**	47
Deposits to secure services	**189**	290	**–**	–
Loan to subsidiary [(1)]	**–**	–	**10,388**	10,389
Dividends receivable from subsidiaries	**–**	–	**3,500**	2,000
Net other receivables – subtotal	**664**	1,158	**13,913**	12,436
Total trade and other receivables	**18,112**	19,515	**13,913**	12,539
Movement in above allowance:				
At beginning and end of the year	**(1,334)**	(1,334)	**–**	–

(1) The interest charged for the unsecured loan to a subsidiary is between 3.03% to 4.10% (2022: 0.70% to 4.20%) per annum. There is no fixed term for the repayment of the loan.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

19. TRADE AND OTHER RECEIVABLES (Cont'd)

Material accounting policy information other explanatory information – Trade and other receivables:

See Note 29 on financial instruments.

The expected credit losses ("ECL") on the trade receivables are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL including the impact of the current economic conditions.

The Group has a few customers with material balances and which can be credit risk graded individually and these are recorded at inception net of expected lifetime ECL. For these material balances judgement is required for the assessment of the credit risk is graded individually. For these material balances, at the end of the reporting year a loss allowance is recognised if there has been a material increase in credit risk since initial recognition. For any material increase or decrease in credit risk an adjustment is made to the loss allowance for the material balances. For the smaller balances the assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL including the impact of the current economic conditions. The allowance model is based on the historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The aging of all the balances is as follows:

	Group Gross Amount	
	2023	**2022**
	$'000	**$'000**
Trade receivables:		
Current	**12,271**	9,365
1 to 30 days past due	**1,956**	5,156
31 to 60 days past due	**782**	2,444
Over 60 days past due	**3,773**	2,726
Total	**18,782**	19,691

At the end of the reporting year a loss allowance of $1,334,000 (2022: $1,334,000) is recognised.

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period. There are no collateral held as security and other credit enhancements for the trade receivables.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivables customers is 30 to 90 days (2022: 30 to 90 days). But some customers take a longer period to settle the amount. The customers' balances are subject to the ECL assessment under the financial reporting standard on financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

19. TRADE AND OTHER RECEIVABLES (Cont'd)

Material accounting policy information other explanatory information – Trade and other receivables: (Cont'd)

Assessing expected credit loss allowance on trade receivables:

The assessment of the ECL requires a degree of estimation and judgement. In measuring the expected credit losses, management considers all reasonable and supportable information such as the entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward-looking information such as forecasts of future economic conditions (including the impact of the current economic conditions). The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year.

Concentration of trade receivable customers as at the end of reporting year:

	Group	
	2023	**2022**
	$'000	**$'000**
Top 1 customer	**7,519**	3,926
Top 2 customers	**10,916**	6,063
Top 3 customers	**11,816**	8,097

Other receivables:

The other receivables shown above are subject to the ECL assessment under the financial reporting standard on financial instruments. The other receivables can be graded for credit risk individually. At inception they are recorded net of expected 12 month ECL. At each reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates (including the impact of the current economic conditions).

Other receivables are normally with no fixed terms and therefore there is no maturity. The customers' balances are subject to the ECL assessment under the financial reporting standard on financial instruments. No loss allowance was necessary.

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Not restricted in use	**41,875**	33,740	**1,626**	1,095

The rates of interest on interest earning balances of $41,875,000 (2022: $33,740,000) for the Group ranged from 0.01% and 4.50% (2022: 0.04% and 4.45%) per annum.

Material accounting policy information other explanatory information – Cash and cash equivalents:

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Other financial assets and financial liabilities at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

20. CASH AND CASH EQUIVALENTS (Cont'd)

20A. Reconciliation of liabilities arising from financing activities

	2022 $'000	Cash flows $'000	Non-cash changes $'000	2023 $'000
Lease liabilities	8,952	(770)	279 [(a)]	**8,461**

	2021 $'000	Cash flows $'000	Non-cash changes $'000	2022 $'000
Lease liabilities	9,196	(762)	518 [(a)]	8,952

(a) Includes remeasurement of right-of-use assets and interest on lease liabilities

21. SHARE CAPITAL

	Number of shares issued '000	Share capital $'000	Treasury shares $'000	Total $'000
Group and Company				
Ordinary shares of no par value:				
Balance at beginning and end of the reporting years 31 December 2022 and 31 December 2023	341,129 *	58,856	(138)	58,718

* Excluding non-voting 788,600 treasury shares and subsidiary shareholdings.

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

Capital management

The objectives when managing capital are: to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in light of changes in conditions and risk characteristics of the underlying assets.

In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

The Group and Company have no external borrowings. The debt-to-adjusted-capital ratio does not provide a meaningful indicator of the risk of borrowings.

In order to maintain its listing on the Singapore Stock Exchange it has to have share capital with a free float of at least 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases means it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

22. CAPITAL RESERVE

All the reserves classified on the face of the statement of financial position as retained earnings represent past accumulated earnings and are distributable as cash dividends.

The capital reserve is not available for cash dividends unless realised. The capital reserve represents transfer of reserves on redeemable preference shares by the subsidiary, Asia Enterprises (Private) Limited.

23. PROVISIONS

	Group	
	2023	**2022**
	$'000	**$'000**
Provisions, non-current:		
Provision for dismantling and removing (Note 23A)	**1,551**	1,504
Provisions, current:		
Provision for employee benefits costs	**422**	533
	1,973	2,037

23A. Provision for dismantling and removing

	Group	
	2023	**2022**
	$'000	**$'000**
Movements in above provision:		
At beginning of the year	**1,504**	1,461
Unwinding of discount (Note 7)	**47**	43
At end of the year	**1,551**	1,504

Provisions for dismantling and removing:

Provision is made for dismantling and removing costs, based on future estimated expenditures, discounted to present values. Where appropriate, the establishment of a provision is recorded as part of the original cost of the related property, plant and equipment. Changes in the provision arising from revised estimates or discount rates or changes in the expected timing of expenditures that relate to property, plant and equipment are recorded as adjustments to their carrying value and depreciated prospectively over their remaining estimated useful economic lives; otherwise such changes are recognised in profit or loss. The unwinding of the discount is included within the profit or loss as a finance charge.

24. LEASE LIABILITIES

	Group	
	2023	**2022**
	$'000	**$'000**
Current	**530**	504
Non-current	**7,931**	8,448
	8,461	8,952

A summary of the maturity analysis of lease liabilities is disclosed in Note 29E. Total cash outflows from leases are shown in the statement of cash flows. The related right-of-use assets are disclosed in Note 13.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

24. LEASE LIABILITIES (Cont'd)

Leases for right-to-use assets – the Group has two leases relating to the warehouse, office space and equipment. The leases from the Jurong Town Corporation are for 51 years and 60 years from 15 April 1981 and 1 January 1995 respectively. The lease liability terms are negotiated on an annual basis and are subject to an escalation clause but the amount of the increase is not to exceed a certain percentage. Other information about the leasing activities relating to the right-of-use assets are summarised as follows: the lease prohibits the lessee from selling or pledging the underlying leased asset as security unless permitted by the owner; there are variable payments linked to an index; there is no option to purchase the underlying leased asset outright at the end of the lease; there is option to extend the lease for a further term subject to approval of the owner.

The lease liabilities above do not include short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments that do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of lease liabilities and right-of-use assets.

Only variable lease payments that depend on an index or a rate, or payments that vary to reflect changes in market rental rates, are included in the measurement of the lease liabilities. Such variable amounts that are unpaid at commencement date are included in the measurement of lease liabilities. Variable lease payments would also include extension options and termination options, residual value guarantees, and leases not yet commenced to which the lessee is committed. Variable lease payments that are based on revenue are recognised in profit or loss in the year in which the condition that triggers those payments occurs.

Subsequent to initial measurement, the liabilities will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liabilities are re-measured, the corresponding adjustments are reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables:				
Outside parties	**195**	2,398	**–**	3
Other payables:				
Outside parties and accrued liabilities	**1,351**	1,471	**267**	239
Rental deposit received	**214**	123	**–**	–
Other payables – subtotal	**1,565**	1,594	**267**	239
Total trade and other payables	**1,760**	3,992	**267**	242

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26. DERIVATIVE FINANCIAL LIABILITIES

	Level	2023 $'000	2022 $'000
Forward foreign exchange contracts	2	**70**	–

Group	Notional US$'000	Reference currency	Maturity	Fair value loss S$'000
2023:				
Forward currency contracts:				
Sell Singapore Dollar for United States Dollar	**5,250**	**US$**	**20 December 2023 to 20 May 2024**	**70**
2022:				
Forward currency contracts:				
Sell Singapore Dollar for United States Dollar	9,500	US$	24 November 2022 to 15 May 2023	– [(a)]

(a) Amount is immaterial.

Currency derivatives are utilised to hedge significant future transactions and cash flows. The Group is party to a variety of foreign currency forward contracts and options in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the entity's principal markets. As a matter of principle, the Group does not enter into derivative contracts for speculative purposes.

The fair value (Level 2) of forward currency contracts is based on the current value of the difference between the contractual exchange rate and the market rate at the end of the reporting year. The valuation technique uses market observable inputs.

These include the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

27. OTHER NON-FINANCIAL LIABILITIES

	Group	
	2023 $'000	2022 $'000
Advance from customers	**–**	6,215

28. ITEMS IN PROFIT OR LOSS

In addition to the other gains and other losses disclosed elsewhere in the notes to the financial statements, this item includes the following expenses:

	Group	
	2023 $'000	2022 $'000
Audit fees to the independent auditor of the Company	**83**	80
Other fees to the independent auditor of the Company	**14**	11
	97	91

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

29. FINANCIAL INSTRUMENTS: INFORMATION ON MATERIAL POLICY INFORMATION AND FINANCIAL RISKS

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

29A. Categories of financial assets and financial liabilities

The financial reporting standard on financial instruments requires the categorisation of financial instruments. At the end of the reporting year, the reporting entity had the following categories financial assets and liabilities:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL, that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

- Financial asset classified as measured at FVTPL: All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

- Financial liabilities are categorised as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

29. FINANCIAL INSTRUMENTS: INFORMATION ON MATERIAL POLICY INFORMATION AND FINANCIAL RISKS (Cont'd)

29A. Categories of financial assets and financial liabilities (Cont'd)

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Financial assets:				
Financial assets at amortised cost	**64,552**	60,111	**16,791**	15,901
Financial assets at FVTPL	**3,542**	3,583	**128**	126
At end of the year	**68,094**	63,694	**16,919**	16,027
Financial liabilities:				
Financial liabilities at amortised cost	**10,221**	12,944	**267**	242
Financial liabilities at FVTPL	**70**	–	**–**	–
At end of the year	**10,291**	12,944	**267**	242

Further quantitative disclosures are included throughout these financial statements.

29B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Group's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate risk, currency risk and price risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long-term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

(a) Minimise interest rate, currency, credit and market risks for all kinds of transactions.

(b) Maximise the use of "natural hedge", favouring as much as possible the natural off-setting of sales, costs, payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.

(c) All financial risk management activities are carried out and monitored by senior management staff.

(d) All financial risk management activities are carried out following acceptable market practices.

(e) When appropriate consideration is given to entering into derivatives or any other similar instruments solely for hedging purposes.

There have been no changes to the exposure to risk, the objectives, policies and process for managing risks and the methods used to measure risks.

29. FINANCIAL INSTRUMENTS: INFORMATION ON MATERIAL POLICY INFORMATION AND FINANCIAL RISKS (Cont'd)

29C. Fair values of financial instruments

See Note 2A on accounting policy. The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the material financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments. The disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

29D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For ECL on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance. Under this general approach the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables and other current financial assets.

For credit risk on the current financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 20 discloses the cash balances. There was no identified impairment loss.

29E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 13 days (2022: 24 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

29. FINANCIAL INSTRUMENTS: INFORMATION ON MATERIAL POLICY INFORMATION AND FINANCIAL RISKS (Cont'd)

29E. Liquidity risk – financial liabilities maturity analysis (Cont'd)

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

Group	Less than 1 year $'000	1-5 years $'000	More than 5 years $'000	Total $'000
2023:				
Non-derivative financial liabilities:				
Gross lease liabilities	**775**	**3,097**	**7,436**	**11,308**
Trade and other payables	**1,760**	**–**	**–**	**1,760**
At end of the year	**2,535**	**3,097**	**7,436**	**13,068**
2022:				
Non-derivative financial liabilities:				
Gross lease liabilities	764	3,053	8,282	12,099
Trade and other payables	3,992	–	–	3,992
At end of the year	4,756	3,053	8,282	16,091

Company	Less than 1 year $'000	1-5 years $'000	More than 5 years $'000	Total $'000
2023:				
Non-derivative financial liabilities:				
Trade and other payables	**267**	**–**	**–**	**267**
2022:				
Non-derivative financial liabilities:				
Trade and other payables	242	–	–	242

The following table analyses the derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

	Group Less than 1 year 2023 $'000	Group Less than 1 year 2022 $'000
Forward foreign exchange contracts	**70**	–

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

29. FINANCIAL INSTRUMENTS: INFORMATION ON MATERIAL POLICY INFORMATION AND FINANCIAL RISKS (Cont'd)

29E. Liquidity risk – financial liabilities maturity analysis (Cont'd)

	Group	
	2023 $'000	**2022 $'000**
Bank facilities:		
Undrawn borrowing facilities	**49,419**	46,450
Banker's guarantee	**14**	7

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

The above banking facilities are covered by negative pledges on the Group's assets.

29F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Financial liabilities with interest:				
Fixed rate	**8,461**	8,952	**–**	–
Financial assets with interest:				
Floating rate	**41,875**	33,740	**1,626**	1,095
Fixed rate	**4,565**	6,856	**1,252**	2,267
Total at end of the year	**46,440**	40,596	**2,878**	3,362

The floating rate debt instruments are with interest rates that are re-set at regular intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis:

	Group		Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
A hypothetical increase in interest rates by 100 basis points with all other variables held constant, would have an increase in pre-tax profit for the year by				
Financial assets	**419**	337	**16**	11

The analysis has been performed for floating interest rate over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on profit or loss. The hypothetical changes in basis points are not based on observable market data.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

29. FINANCIAL INSTRUMENTS: INFORMATION ON MATERIAL POLICY INFORMATION AND FINANCIAL RISKS (Cont'd)

29G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency that is a currency other than the functional currency in which they are measured. Currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency as defined in the financial reporting standard on financial instruments.

Analysis of amounts denominated in non-functional currency:

	Group	
	2023 USD $'000	**2022 USD $'000**
Financial assets:		
Cash and cash equivalents	**486**	2,322
Trade and other payables	**440**	1,983
Total financial assets	**926**	4,305
Financial liabilities:		
Trade and other payables	**(19)**	(2,130)
Net financial assets at end of the year	**907**	2,175

There are no balances denominated in non-functional currency at the Company level.

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis:

	Group	
	2023 $'000	**2022 $'000**
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the USD with all other variables held constant would have an adverse effect on pre-tax profit/(loss) of	**(91)**	(218)

The above table shows sensitivity to the hypothetical percentage variations in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign currency exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

30. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year the ASC issued amendment to SFRS 1 and Practice Statement 2 on disclosures of material accounting policy and other explanatory information. Immaterial information need not be disclosed. Disclosures should not obscure material accounting policy information (such as material information being obscured, or information regarding a material item, transaction or other event is scattered throughout the financial statements, etc). In addition, the ASC issued certain new or revised financial reporting standards. None had material impact on the Group. Those applicable to the Group are listed below.

SFRS(I) No.	Title
SFRS(I) 1-8	Definition of Accounting Estimates – Amendments to
SFRS(I) 1-12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to

31. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years the ASC issued certain new or revised financial reporting standards. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any material modification of the measurement methods or the presentation in the financial statements for the following reporting year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application. Those applicable to the Group for future reporting years are listed below.

SFRS(I) No.	Title	Effective date for periods beginning on or after
SFRS(I) 1-1	Presentation of Financial Statements – amendment relating to Classification of Liabilities as Current or Non-current	1 January 2024
SFRS(I) 1-21	The Effects of Changes in Foreign Exchange Rates (amendment) Lack of Exchangeability	1 January 2025

STATISTICS OF SHAREHOLDINGS

AS AT 11 MARCH 2024

SHAREHOLDERS' INFORMATION

Class of Equity Securities	Number of Equity Securities	Voting Rights
Ordinary Shares	341,128,887*	On a poll: one vote for each ordinary share*
Treasury Shares	788,600	Nil

* Excluding non-voting 788,600 treasury shares and subsidiary shareholdings

Percentage of treasury shares and subsidiary shareholdings against total number of issued shares (excluding treasury shares and subsidiary shareholdings): 0.23%

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 – 99	29	2.00	1,466	0.00
100 – 1,000	68	4.68	34,015	0.01
1,001 – 10,000	445	30.62	2,096,533	0.62
10,001 – 1,000,000	882	60.70	62,372,746	18.28
1,000,001 and above	29	2.00	276,624,127	81.09
	1,453	100.00	341,128,887	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Shenton Investment Pte Ltd	127,377,350	37.34
2.	Harmaidy	36,872,025	10.81
3.	Minh-Chieh Investments Pte Ltd	16,498,908	4.84
4.	Koh Suew Leng	14,346,067	4.21
5.	DBS Nominees (Private) Limited	11,158,150	3.27
6.	Tan Wai See	8,920,000	2.61
7.	DB Nominees (Singapore) Pte Ltd	7,770,800	2.28
8.	Phillip Securities Pte Ltd	7,600,729	2.23
9.	Gu Jian Li	4,754,300	1.39
10.	Yeo Seng Chong	3,950,000	1.16
11.	Lee Choon Bok	3,816,216	1.12
12.	Lew Wing Kit	3,641,200	1.07
13.	Yap Hwee Hong	3,020,516	0.89
14.	Koh Siak Lin, Victor	2,584,408	0.76
15.	Ang Hao Yao (Hong Haoyao)	2,312,250	0.68
16.	Chua Leong Hai @Chua Leang Hai	2,080,000	0.61
17.	Tan Pei Hong Alex (Chen Peifeng)	2,068,900	0.61
18.	Estate of Yeo Eng Hock, Deceased	2,020,708	0.59
19.	Ho Juat Keng	1,830,000	0.54
20.	OCBC Nominees Singapore Private Limited	1,697,100	0.50
	Total:	264,319,627	77.51

STATISTICS OF SHAREHOLDINGS

AS AT 11 MARCH 2024

PERCENTAGE OF SHAREHOLDING IN PUBLIC HANDS

Based on the information provided to the Company as at 11 March 2024, approximately 50.45% of the issued ordinary shares of the Company are held by the public. Accordingly, the Company has complied with Rule 723 of the SGX-ST Listing Manual.

LIST OF SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 11 March 2024)

Name of Substantial Shareholder	No. of Shares (Direct Interest)	No. of Shares (Deemed Interest)	Total	%
Shenton Investment Pte Ltd	127,377,350	–	127,377,350	37.34
Lee Choon Bok	3,816,216	127,377,350[1]	131,193,566	38.46
Lee Yih Chyi, Yvonne (a director)	70,000	131,193,566[2]	131,263,566	38.48
Harmaidy	36,872,025	–	36,872,025	10.81
Lee Yih Hwan (a director)	660,000	131,193,566[2]	131,853,566	38.65

Notes:

1. Deemed interest arises from shares held by Shenton Investment Pte Ltd.
2. Deemed interest arises from 127,377,350 shares held by Shenton Investment Pte Ltd and 3,816,216 shares held by Lee Choon Bok.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Asia Enterprises Holding Limited ("the Company") will be held at The Chartroom, Level 2, Raffles Marina, 10 Tuas West Drive, Singapore 638404, on Wednesday, 24 April 2024 at 10.30 a.m. for the purposes of considering and, if thought fit, passing with or without modifications, the resolutions as set out below:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2023 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a first and final tax exempt (one-tier) dividend of 1.0 cent per ordinary share for the financial year ended 31 December 2023. (2022: 0.8 cent per ordinary share). **(Resolution 2)**

3. To note the retirement of Lee Bon Leong, a Director who is retiring pursuant to Regulation 104 of the Constitution of the Company, and is not seeking for re-election.
   [See Explanatory Note (i)]

4. To note the retirement of Tan Keh Yan, Peter, a Director who is retiring pursuant to Regulation 104 of the Constitution of the Company, and is not seeking for re-election.
   [See Explanatory Note (ii)]

5. To re-elect Lee Yih Hwan, a Director who is retiring pursuant to Regulation 104 of the Constitution of the Company.
   [See Explanatory Note (iii)] **(Resolution 3)**

6. To re-elect Choo Boon Tiong, a Director who is retiring pursuant to Regulation 108 of the Constitution of the Company.
   [See Explanatory Note (iv)] **(Resolution 4)**

7. To re-elect Neo Gim Kiong, a Director who is retiring pursuant to Regulation 108 of the Constitution of the Company.
   [See Explanatory Note (v)] **(Resolution 5)**

8. To approve the payment of Directors' fees of $186,000 for the financial year ended 31 December 2023. (2022: $186,000) **(Resolution 6)**

9. To re-appoint RSM SG Assurance LLP (previously known as RSM Chio Lim LLP) as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**

10. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

11. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST Listing Manual")**

    That pursuant to Section 161 of the Companies Act, 1967 and Rule 806 of the SGX-ST Listing Manual, the Directors of the Company be authorised and empowered to:

    (a) (i) issue shares in the Company ("shares") whether by way of rights issue, bonus issue or otherwise; and/or

NOTICE OF ANNUAL GENERAL MEETING

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the "***Share Issue Mandate***")

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the total number of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of convertible securities;

(b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of SGX-ST Listing Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

adjustment in accordance with (2)(a) and (2)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of this Resolution.

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the SGX-ST Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (vi)] **(Resolution 8)**

By Order of the Board

Siau Kuei Lian
Company Secretary
Singapore, 9 April 2024

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Lee Bon Leong will, upon his retirement as a Director of the Company, cease to be the Independent Non-Executive Chairman, Chairman of the Remuneration Committee, and a member of Audit Committee and Nominating Committee. Lee Bon Leong has served on the Board for an aggregate period of more than 9 years. He has decided to retire at the conclusion of the AGM and will not be seeking for re-election, to support progressive renewal of the Board.

(ii) Tan Keh Yan, Peter will, upon his retirement as a Director of the Company, cease to be the Lead Independent Director, Chairman of the Audit Committee, and a member of Nominating Committee and Remuneration Committee. Tan Keh Yan, Peter has served on the Board for an aggregate period of more than 9 years. He has decided to retire at the conclusion of the AGM and will not be seeking for re-election, to support progressive renewal of the Board.

(iii) Lee Yih Hwan will upon re-election as a Director of the Company remain as Non-Executive Director of the Company. Please refer to Corporate Governance section in the Annual Report for the detailed information required pursuant to Rule 720(6) of the SGX-ST Listing Manual.

(iv) Choo Boon Tiong will upon re-election as a Director of the Company remain as Independent Director. Choo Boon Tiong will be considered independent pursuant to Rule 704(8) of the SGX-ST Listing Manual. Please refer to Corporate Governance section in the Annual Report for the detailed information required pursuant to Rule 720(6) of the SGX-ST Listing Manual.

(v) Neo Gim Kiong will upon re-election as a Director of the Company remain as Independent Director. Neo Gim Kiong will be considered independent pursuant to Rule 704(8) of the SGX-ST Listing Manual. Please refer to Corporate Governance section in the Annual Report for the detailed information required pursuant to Rule 720(6) of the SGX-ST Listing Manual.

(vi) Ordinary Resolution 8, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority as varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent consolidation or subdivision of shares.

Notes:

1. The members of the Company are invited to attend physically at the AGM. There will be no option for shareholders to participate virtually.

2. The Annual Report, Notice of Annual General Meeting and Proxy Form will be published on the Company's website at the URL https://www.asiaenterprises.com.sg and will also be made available on SGXNet at the URL https://www.sgx.com/securities/company-announcements.

   A member who wishes to request for a printed copy of the Annual Report may do so by completing and returning the Request Form which is sent to him/her/it by post to the Company no later than 16 April 2024.

3. Members may submit questions related to the resolutions which will be tabled for approval at the AGM, in advance of the AGM by email to the Company at proxy2024@asiaenterprises.com.sg.

   When submitting the questions, please provide the Company with the following details, for verification purpose:–

   (i) Full name;

   (ii) NRIC number;

   (iii) Current address;

   (iv) Contact number; and

   (v) Number of shares held

   Please also indicate the manner in which you hold shares in the Company (e.g. via CDP, CPF or SRS).

   Shareholders are encouraged to submit their questions before 16 April 2024, as this will allow the Company sufficient time to address and respond to these questions on or before 19 April 2024 (forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms).

4. The Company will respond to substantial and relevant questions received from members on the Company's website at URL https://www.asiaenterprises.com.sg and on SGXNet at URL https://www.sgx.com/securities/company-announcements by 19 April 2024, after trading hours.

NOTICE OF ANNUAL GENERAL MEETING

5. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting of the Company may appoint not more than two proxies to attend, speak and vote in his/her stead. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the form of proxy. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

6. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) and who wishes to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the Annual General Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an attorney or duly authorised officer. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.

8. The instrument appointing a proxy must: (i) if sent by hand or by post, be deposited at the registered office of the Company, at 3 Pioneer Sector Walk Singapore 627897; or (ii) if submitted electronically via email, be received by the Company at proxy2024@asiaenterprises.com.sg and in either case, by no later than 48 hours before the time appointed for the Annual General Meeting, and in default the instrument of proxy shall not be treated as valid.

   Members are strongly encouraged to submit completed proxy forms electronically by email to the Company at proxy2024@asiaenterprises.com.sg.

9. The Annual Report for FY2023 may be accessed on the Company's website at the URL https://www.asiaenterprises.com.sg and is also available on the SGXNet at the URL https://www.sgx.com/securities/company-announcements.

*A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of processing and administration by the Company (or its agents) of proxy(ies) and representative(s) appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (ii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF RECORD DATE

NOTICE OF RECORD DATE FOR FIRST AND FINAL TAX EXEMPT (ONE-TIER) DIVIDEND

Reference is made to the Results Announcement on 8 February 2024 for the financial year ended 31 December 2023.

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Asia Enterprises Holding Limited (the "Company") will be closed on 20 May 2024 for the purpose of determining the entitlements of the Company's shareholders (the "Shareholders") to a first and final tax exempt (one-tier) dividend of 1.0 cent per ordinary share.

For the avoidance of doubt, in the case where the registered Shareholder is the Central Depository (Pte) Limited ("CDP") the dividend warrants shall be issued to the CDP and credited to the depositors' securities accounts with the CDP in proportion to the number of shares of the Company standing to the credit of each depositor's securities account with the CDP as at 5.00 pm (Singapore time) on 20 May 2024.

Duly completed registrable transfers received by the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd., 30 Cecil Street #19-08 Prudential Tower Singapore 049712 up to 5.00 p.m. on 20 May 2024 will be registered to determine entitlements to the said dividend.

Payment of the dividend, if approved by the Members at the Annual General Meeting to be held on 24 April 2024 will be made on 6 June 2024.

By Order of the Board

Siau Kuei Lian
Company Secretary
Singapore, 9 April 2024

ASIA ENTERPRISES HOLDING LIMITED
(Company Registration No. 200501021H)
(Incorporated in the Republic of Singapore)

PROXY FORM
(Please see notes overleaf before completing this Form)

IMPORTANT:
1. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy and submit their votes at least 7 working days before the Meeting, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We*, ______________________ (Name) ______________________ (NRIC/Passport No./Company Regn. No.)

of ____ (Address)
being a member/members* of **ASIA ENTERPRISES HOLDING LIMITED** (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	**%**
Address			

and/or* failing him/her* (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	**%**
Address			

or failing him/her/them*, the Chairman of the Meeting as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the Annual General Meeting ("**AGM**") of the Company to be held at The Chartroom, Level 2, Raffles Marina, 10 Tuas West Drive, Singapore 638404 on 24 April 2024 at 10.30 a.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the Resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion.

(If you wish to exercise all your votes "For", "Against" or to "Abstain" from voting, please indicate with a tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

No.	Resolutions relating to:	For	Against	Abstain
Ordinary Business				
1	Audited Financial Statements for the financial year ended 31 December 2023			
2	Payment of proposed first and final tax-exempt (one-tier) dividend			
3	Re-election of Lee Yih Hwan as a Director			
4	Re-election of Choo Boon Tiong as a Director			
5	Re-election of Neo Gim Kiong as a Director			
6	Approval of Directors' fees amounting to $186,000 for the financial year ended 31 December 2023			
7	Re-appointment of RSM SG Assurance LLP as Auditors			
Special Business				
8	Authority to allot and issue new shares			

Dated this __________ day of ________________ 2024

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Shareholder(s)
And/or Common Seal of Corporate Shareholder

* *Delete where inapplicable*

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument shall be deemed to relate to all the Shares held by you.

2. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the Meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A Relevant Intermediary* may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her (which number or class of shares shall be specified).

5. Subject to note 6, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as his/her proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an attorney or duly authorised officer. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

9. The instrument appointing a proxy or proxies must (i) if sent by hand or by post, be deposited at the registered office of the Company, at 3 Pioneer Sector Walk Singapore 627897; or (ii) if submitted electronically via email, be received at proxy2024@asiaenterprises.com.sg, and in either case, not less than 48 hours before the time appointed for the Meeting, and in default the instrument of proxy shall not be treated as valid.

   Members are strongly encouraged to submit completed proxy forms electronically by email to the Company at proxy2024@asiaenterprises.com.sg.

*A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 April 2024.

CORPORATE **INFORMATION**

BOARD OF DIRECTORS
Lee Bon Leong *Independent, Non-Executive Chairman*
Lee Yih Chyi, Yvonne *Managing Director*
Tan Keh Yan, Peter *Lead Independent Director*
Koh Wee Kiang *Independent Director*
Lee Yih Hwan *Non-Executive Director*
Choo Boon Tiong *Independent Director*
Neo Gim Kiong *Independent Director*

AUDIT COMMITTEE
Tan Keh Yan, Peter *Chairman*
Lee Bon Leong
Koh Wee Kiang

NOMINATING COMMITTEE
Koh Wee Kiang *Chairman*
Lee Bon Leong
Tan Keh Yan, Peter

REMUNERATION COMMITTEE
Lee Bon Leong *Chairman*
Tan Keh Yan, Peter
Koh Wee Kiang

COMPANY SECRETARY
Siau Kuei Lian

REGISTERED OFFICE
3 Pioneer Sector Walk
Singapore 627897
Tel (65) 6223 6377
Fax (65) 6861 9486
www.asiaenterprises.com.sg

SHARE REGISTRAR
In.Corp Corporate Services Pte. Ltd.
30 Cecil Street #19-08
Prudential Tower
Singapore 049712
Tel (65) 6812 1611
Fax (65) 6395 0670

AUDITORS
RSM Chio Lim LLP
8 Wilkie Road, #03-08
Wilkie Edge
Singapore 228095

Tan Beng Teck
Partner-in-charge
(Appointed with effect from financial year ended 31 December 2020)

INVESTOR RELATIONS CONSULTANT
Octant Consulting
7500A Beach Road
The Plaza #04-329
Singapore 199591
Tel (65) 6296 3583

ASIA ENTERPRISES HOLDING LIMITED

COMPANY REG NO: 200501021H

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