

PAN ASIAN HOLDINGS LIMITED
(Company registration number: 197902790N)

**UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF COMPREHENSIVE INCOME AS AT 31 DEC 2017

	(Unaudited) Year Ended 31-Dec-17 S\$'000	(Audited) Year Ended 31-Dec-16 S\$'000	Increase/ (Decrease) %
Revenue	23,842	37,613	(36.6)
Cost of sales	(16,491)	(28,602)	(42.3)
Gross profit	7,351	9,011	(18.4)
Interest income	12	7	71.4
Other gains	391	718	(45.5)
Marketing and distribution costs	(3,356)	(4,436)	(24.3)
Administrative expenses	(3,414)	(4,247)	(19.6)
Finance costs	(128)	(121)	5.8
Other losses	(306)	(110)	NM
Share of loss from equity-accounted associate	(11)	-	NM
Share of loss from equity-accounted joint ventures	(33)	(163)	(79.8)
Profit before tax	506	659	(23.2)
Income tax expenses	(400)	(322)	24.2
Profit net of tax	106	337	(68.5)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Loss	(378)	(147)	NM
- Reclassification to profit or loss arising from disposal of subsidiary	(27)	-	NM
Other comprehensive loss for the year, net of tax	(405)	(147)	NM
Total comprehensive (loss)/income	(299)	190	NM
(Loss) / Profit attributable to owners of the parent, net of tax	(41)	304	NM
Profit attributable to non-controlling interests, net of tax	147	33	NM
Profit net of tax	106	337	(68.5)
Total comprehensive (loss)/income attributable to owners of the parent	(419)	182	NM
Total comprehensive income attributable to non-controlling interests	120	8	NM
Total comprehensive (loss) / income	(299)	190	NM

NM - Not Meaningful

Notes to Consolidated Statement of Comprehensive Income

	(Unaudited) Year Ended 31-Dec-17 S\$'000	(Audited) Year Ended 31-Dec-16 S\$'000	Increase/ (Decrease) %
<u>Revenue</u>			
Sale of goods	23,569	37,320	(36.8)
Rental income	2	-	NM
Commission income	-	122	NM
Other income	271	171	58.5
	23,842	37,613	(36.6)
Interest income	12	7	71.4
<u>Depreciation expense</u>			
Cost of sales	(15)	(50)	(70.0)
Marketing and distribution costs	(147)	(150)	(2.0)
Administrative expenses	(414)	(349)	18.6
	(576)	(549)	4.9
<u>Other gains</u>			
Gains on disposal of property, plant and equipment, net	-	39	NM
Gains on disposal of subsidiary, net	15	-	NM
Gain on disposal of other asset, net	8	-	NM
Government grant	159	126	26.2
Sundry income	-	118	NM
Write back of allowance for inventories	209	254	(17.7)
Foreign exchange adjustment gains	-	86	NM
Net allowance for impairment on trade receivables	-	95	NM
	391	718	(45.5)
<u>Finance costs</u>			
Interest expense	(128)	(121)	5.8
<u>Other losses</u>			
Bad trade debts written off	-	(23)	NM
Loss on disposal of property, plant and equipment, net	(32)	-	NM
Loss on disposal of subsidiary	-	(22)	NM
Net allowance for impairment on receivables	(33)	-	NM
Sundry expense	(37)	-	NM
Impairment loss on investment in joint ventures	-	(5)	NM
Loss on corporate guarantee to former subsidiary	(103)	-	NM
Amortisation of land use rights	(59)	(60)	(1.7)
Foreign exchange adjustment losses	(42)	-	NM
	(306)	(110)	NM
NM - Not Meaningful			

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

	(Unaudited) <u>Group</u> <u>31-Dec-17</u> <u>S\$'000</u>	(Audited) <u>Group</u> <u>31-Dec-16</u> <u>S\$'000</u>	(Unaudited) <u>Company</u> <u>31-Dec-17</u> <u>S\$'000</u>	(Audited) <u>Company</u> <u>31-Dec-16</u> <u>S\$'000</u>
<u>ASSETS</u>				
<u>Non-current assets</u>				
Property, plant and equipment	6,738	5,917	3,275	4,598
Investments in subsidiaries	-	-	3,609	4,245
Investments in associate	623	-	-	-
Investments in joint ventures	138	172	100	100
Land use rights	1,280	1,357	-	-
Other assets, non-current	18	78	18	78
Total non-current assets	8,797	7,524	7,002	9,021
<u>Current assets</u>				
Inventories	2,940	4,745	300	620
Asset held for sale under FRS 105	1,152	-	1,038	-
Trade and other receivables	7,010	15,925	8,265	10,340
Other assets, current	694	936	81	110
Cash and cash equivalents	3,853	4,822	1,793	1,634
Total current assets	15,649	26,428	11,477	12,704
Total assets	24,446	33,952	18,479	21,725
<u>EQUITY AND LIABILITIES</u>				
<u>Equity attributable to owner of the parent</u>				
Share capital	15,300	15,300	15,300	15,300
Other reserves	(140)	238	-	-
Retained earnings	1,543	1,584	732	64
Equity, attributable to owners of the parent	16,703	17,122	16,032	15,364
Non-controlling interests	(1)	949	-	-
Total equity	16,702	18,071	16,032	15,364
<u>Non-current liabilities</u>				
Deferred tax liabilities	53	53	33	33
Other financial liabilities, non-current	1,846	81	33	81
Total non-current liabilities	1,899	134	66	114
<u>Current liabilities</u>				
Income tax payable	169	261	-	-
Other financial liabilities, current	548	1,806	48	1,806
Trade and other payables, current	5,128	13,680	2,333	4,441
Total current liabilities	5,845	15,747	2,381	6,247
Total liabilities	7,744	15,881	2,447	6,361
Total equity and liabilities	24,446	33,952	18,479	21,725

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

(A) the amount repayable in one year or less, or on demand;

31-Dec-17		31-Dec-16	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
548	-	1,806	-

(B) the amount repayable after one year;

31-Dec-17		31-Dec-16	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,846	-	81	-

(C) whether the amounts are secured or unsecured

The group's bank borrowing and debt securities of S\$2,202,000 as at 31 December 2017 (31 December 2016: S\$1,760,000) were secured / covered by:

- a. A negative pledge over the assets of the Company
- b. Corporate guarantees from the Company

(D) details of any collaterals

The obligations under finance lease of S\$191,000 as at 31 December 2017 (31 December 2016: S\$127,000) are secured by a charge over the leased assets and a personal guarantee from a director of the Company.

1(c) A statement of cash flows (for the group) together with the comparative statement for the corresponding period of the immediately preceding financial year.

	(Unaudited) Group Period ended 31-Dec-17 S\$'000	(Audited) Group Period ended 31-Dec-16 S\$'000
Cash flows from operating activities		
Profit before tax	506	659
Adjustments for:		
Amortisation of land use rights	59	60
Depreciation of property, plant and equipment	576	549
Impairment loss on joint ventures	-	5
Interest income	(12)	(7)
Interest expense	128	121
(Gain) loss on disposal of subsidiaries	(15)	22
Loss (gain) on disposal of property, plant and equipment, net	32	(39)
Share of loss from equity-accounted associate	11	-
Share of loss from equity-accounted joint ventures	33	163
Operating cash flow before changes in working capital	1,318	1,533
Trade and other receivables	5,661	(90)
Other assets	242	929
Inventories	377	234
Trade and other payables	(5,017)	(583)
Net cash flows from operations	2,581	2,023
Income taxes paid	(400)	(160)
Net cash flows from operating activities	2,181	1,863
Cash flows from investing activities		
Interest received	12	7
Addition of other asset	(8)	-
Proceeds from disposal of property, plant and equipment	(57)	181
Proceeds from investment held for disposal	-	120
Proceeds from disposal of other asset	68	-
Disposal of subsidiaries (net of cash disposed)	(149)	(41)
Purchase of property, plant and equipment	(3,107)	(317)
Net cash flows used in investing activities	(3,241)	(50)
Cash flows from financing activities		
Dividends paid on ordinary shares	-	(1,071)
Interest paid	(128)	(121)
Proceeds/(repayment) of finance lease	65	(145)
Increase in borrowings	1,750	-
Repayment of bank borrowings	(1,308)	5
Net cash flows from/(used in) financing activities	379	(1,332)
Net (decrease)/increase in cash and cash equivalents	(681)	481
Effect of exchange rate changes on cash and cash equivalent	(288)	32
Cash and cash equivalents, statement of cash flows, beginning balance	4,822	4,309
Cash and cash equivalents, statement of cash flows, ending balance	3,853	4,822
Represented by:		
Cash and cash equivalents	3,853	4,822
Cash and cash equivalents, statement of cash flows, ending balance	3,853	4,822

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

	Share Capital S\$'000	Other Reserves S\$'000	Retained Earnings S\$'000	Attributable to Parent sub-total S\$'000	Non- Controlling Interests S\$'000	Total Equity S\$'000
<u>GROUP:</u>						
Current year:						
Balance as at 1 January 2017	15,300	238	1,584	17,122	949	18,071
Movements in equity:						
Total comprehensive (loss) income for the year	-	(378)	(41)	(419)	120	(299)
Disposal of subsidiaries with a change in control	-	-	-	-	(1,070)	(1,070)
Balance as at 31 December 2017	15,300	(140)	1,543	16,703	(1)	16,702
Previous year:						
Balance as at 1 January 2016	15,300	340	2,371	18,011	941	18,952
Movements in equity:						
Total comprehensive income (loss) for the year	-	(122)	304	182	8	190
Transfer to statutory reserve	-	20	(20)	-	-	-
Dividends on ordinary shares	-	-	(1,071)	(1,071)	-	(1,071)
Balance as at 31 December 2016	15,300	238	1,584	17,122	949	18,071
<u>COMPANY:</u>						
Current year:						
Balance as at 1 January 2017	15,300	-	64	15,364	-	15,364
Movements in equity:						
Total comprehensive income for the year	-	-	668	668	-	668
Balance as at 31 December 2017	15,300	-	732	16,032	-	16,032
Previous year:						
Balance as at 1 January 2016	15,300	-	2,505	17,805	-	17,805
Movements in equity:						
Total comprehensive loss for the year	-	-	(1,370)	(1,370)	-	(1,370)
Dividends on ordinary shares	-	-	(1,071)	(1,071)	-	(1,071)
Balance as at 31 December 2016	15,300	-	64	15,364	-	15,364

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

There is no change in the Company's share capital from 30 June 2017 to 31 December 2017. The Company's share capital as at 30 June 2017 and 31 December 2017 remained at S\$15,300,000 and comprised 214,202,036 shares.

There were no convertibles, subsidiary holdings and treasury shares outstanding as at the end of the financial year. (As at 31 December 2016: Nil)

1(d)(iii) Total number of issued share excluding treasury share as at the end of current financial period and as at the end of the immediately preceding year.

	2017	2016
Balance as at 31 December	214,202,036	214,202,036

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial year reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not hold any subsidiary holdings during and as at the end of the current financial year reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial year as compared to the audited financial statements for the financial year ended 31 December 2016.

5. If there were any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2017.

Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of the new and revised FRS and INT FRS did not result in substantial changes to the Group's accounting policies and has no material effect on the financial results reported for the current or prior reporting periods.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share attributable to the shareholders of the Company	Group	
	As at 31-Dec-17	As at 31-Dec-16
(i) Based on weighted average number of ordinary share in issue (Singapore cents)	(0.02)	0.14
Weighted average number of ordinary shares in issue	214,202,036	214,202,036
(ii) On a fully diluted basis (Singapore cents)	(0.02)	0.14
Diluted weighted average number of ordinary shares in issue	214,202,036	214,202,036

Basic and diluted earnings per share were the same as there were no potentially dilutive securities in issue as at 31 December 2017 and 31 December 2016.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current period reported on; and
(b) immediately preceding financial year

	Group		Company	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Net asset value per ordinary share based on issued share capital (Singapore cents)	7.80	7.99	7.48	7.17

Net asset value per ordinary share is calculated based on 214,202,036 (FY2016: 214,202,036) ordinary shares at the end of the reporting period.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

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

Review of operating result

Revenue

The Group's revenue decreased by S\$13.8 million or 36.6% to S\$24 million in FY2017 from S\$37.6 million as at 31 December 2016 (FY2016). This was mainly attributable to decrease of

revenue in Singapore entities (S\$10.7 million), China entities (S\$4.8 million) and Europe entity (S\$0.5 million).

The decrease is offset by the increase in sales in Hong Kong's entity amounting to S\$2.2 million.

Gross Profit Margin

Gross profit decreased by S\$1.7 million to S\$7.3 million in FY2017 from S\$9.0 million (FY2016) as a result of decrease in revenue.

In term of gross profit margin, FY2017 recorded a higher percentage of 30% compares to 24% in FY2016. This was mainly due to increased efforts to focus on higher gross margin in sales.

Other gains

Other gains decreased by S\$0.3 million to S\$0.4 million in FY2017 from S\$0.7 million in FY2016. This was largely attributable to a decrease in sundry income of S\$0.1 million, a decrease in foreign exchange adjustment gains of S\$0.1 million, and reversal of impairment on trade receivables of S\$0.1 million.

Marketing and Distribution Costs

Marketing and distribution costs decreased by S\$1.0 million or 24.3% from S\$4.4 million (FY2016) to S\$3.4 million in FY2017. This was mainly attributable to the reduction in payroll expenses of \$0.3 million and, lower incentive expense of S\$0.1 million due to lower sales amount, travelling expense of \$0.1 million, testing and inspection of \$0.1 million, transport expense of \$0.1 million and lower expense in rental of S\$0.1 million.

Administrative Expenses

Administrative expenses decreased by S\$0.8 million or 20% to S\$3.4 million in FY2017 from S\$4.2 million (FY2016). This was largely attributable to lower payroll expenses of S\$0.4 million due to lower headcount as a result of disposal of subsidiary in China, and lower legal and professional expenses of S\$0.2 million.

Finance costs

Finance costs remained the same as FY2016.

Other losses

Other losses increased by S\$0.2 million to S\$0.3 million in FY2017 from S\$0.1 million (FY2016), largely due to impairment of receivables of S\$0.03 million, sundry expense of S\$0.04 million, loss of corporate guarantee to former subsidiary of S\$0.1 million, and foreign exchange adjustment losses of S\$0.04 million.

Share of (loss)/profit from equity-accounted joint ventures and associates

Losses of joint ventures and associates totaled S\$0.04 million in FY2017, a reduction of S\$0.12 million from S\$0.16 million (FY2016) due to lower loss recorded in the entities.

Income Tax Expense

Income tax expense increased by S\$0.08 million to S\$0.4 million in FY2017 from S\$0.32 million. Despite lower total revenue and profit reported by the Group, a small number of overseas entities had recorded high profits. This resulted in higher tax expenses to the Group then in previous financial year.

Profit after Tax

As a result of the above, the Group recorded a profit after tax of S\$0.1 million in FY2017, a decrease of 69% from S\$0.3 million in FY2016.

Financial Position

Non-Current Assets

Non-current assets increased by S\$1.3 million from \$7.5 million as at 31 December 2016 to S\$8.8 million as at 31 December 2017. This was mainly attributable to the following:

- (1) Increased in property, plant and equipment of S\$0.8 million, mainly attributable to purchase of land in Tuas South ;
- (2) Increased in investment in associate of S\$0.6 million in China; offset by
- (3) Amortization of land use rights of S\$0.06 million
- (4) Disposal of subsidiary's assets in China; and
- (5) Assets depreciation.

Current Assets

Current assets decreased by S\$10.8 million from S\$26.4 million as at 31 December 2016 to S\$15.6 million as at 31 December 2017. The decrease was mainly due to the following:

- (1) Decrease in inventory of S\$1.8 million due to disposal of subsidiary in China;
- (2) Decrease in trade and other receivables of S\$8.9 million in line with the decrease in revenue;
- (3) Decrease in cash and cash equivalent by S\$1 million; offset by
- (4) Increase in asset held for sale of S\$1.2 million, which comprised of properties in overseas and in Singapore.

Current Liabilities

Current liabilities decreased by S\$9.9 million from S\$15.7 million as at 31 December 2016 to S\$5.8 million as at 31 December 2017. This was mainly due to a decrease in trade and other payables by S\$8.5 million due to lower sales amount, as well as decrease in other financial liabilities due to repayment of S\$1.3 million.

Non Current Liabilities

Non current liabilities increased by S\$1.8 million, mainly attributable to term loan acquired for purchasing of land for construction of new plant and office at Tuas South.

Statement of Cash Flow

Overall, the Group recorded a net decrease in cash and cash equivalents of S\$1 million, from S\$4.8 million as at 31 December 2016 to S\$3.8 million as at 31 December 2017. This is mainly attributable to the cash flow from operating activities of S\$2.1 million, offset by the cash flow used in investing activities of S\$3.2 million, and financing activities of S\$0.4 million.

Operating activities recorded a net cash inflow of S\$2.1 million mainly due to the profit recorded for the year, aided by the cash inflow generated from trade and other receivables of S\$5.7 million, other assets of S\$0.2 million, and inventories of S\$0.4 million. Offset by the cash outflow to trade and other payables of S\$5 million.

Investing activities' net cash outflow of S\$3.2 million was mainly due to purchase of land and equipment.

Financing activities recorded a net cash inflow of S\$0.4 mainly due to nett increase in borrowing during the financial year, offset by repayment of bank borrowings.

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

Not applicable. No forecast or prospect statements have been previously disclosed to shareholders.

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

As at end of 2017, the order book amounted to \$12.8 million.

Despite reports of improvement in the macro business environment, competitions in the industry remains challenging.

The Group will maintain its focus on operational efficiency and business developments to improve the bottom line.

The Group had started construction of its new plant in Tuas South. The project would be partially financed from Group's working capital for the next 12 months. Upon completion in early 2019, it would be used as the Group's headquarters and the base for all its Singapore operations.

11. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend is declared or recommended for the current financial year reported on.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Royalty Payments to Duvalco International Pte Ltd	\$113,514 ⁽¹⁾	Nil
Product Purchase from Duvalco Valves (Wuxi) Co. Ltd	\$704,760	Nil
Total	\$818,274 ⁽²⁾	Nil

Note:

1. There was a waiver of Royalty Payment of \$81,654 for Q4, due to agreement between the Company and licensor, Duvalco International Pte Ltd, that has not been included.
2. There was a waiver of factory rental of RMB1.2 million (approximately S\$252,000) for FY2017, due to agreement between the Company and landlord, Duvalco Valves (Wuxi) Co. Ltd, that has not been included.
3. For more information on the interested persons and transactions, please refer to the Company's announcement dated 30 January 2018 for further information.

Save for the above, there was no interested party transaction that is S\$100,000 and above during the financial year in review.

The Company does not have an existing general mandate pursuant to Rule 920 of the Catalyst Listing Manual.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUCEMENT

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

<u>Business Segments</u>	<u>Portable Water</u>		<u>Waste Water</u>		<u>NeWater</u>		<u>Valves</u>		<u>Others</u>		<u>Unallocated</u>		<u>Consolidated</u>	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue														
External sales	11,625	22,418	478	29	80	1,278	2,804	7,908	8,855	5,980	-	-	23,842	37,613
Result														
Segment result	4,254	5,748	261	12	18	273	487	1,004	2,331	1,974	-	-	7,351	9,011
Interest income											-	12	7	7
Finance costs											-	(128)	(121)	(121)
Amortisation of land use rights									(59)	(60)	-	-	(59)	(60)
Depreciation of property, plant and equipment											-	(576)	(549)	(549)
Employee benefits expenses											(4,196)	(5,326)	(4,196)	(5,326)
Impairment of assets											-	(5)	-	(5)
Unallocated corporate expense											-	(1,998)	(2,808)	(2,808)
Other (losses) gains											-	144	673	673
Share of loss from equity-accounted joint ventures											-	(33)	(163)	(163)
Share of loss from equity-accounted associate											(11)	-	(11)	-
Profit/(loss) before income tax													506	659
Income tax credit/(expense)													(400)	(322)
Net profit/(loss) after tax													106	337

<u>Business Segments</u>	<u>Portable Water</u>		<u>Waste Water</u>		<u>NeWater</u>		<u>Valves</u>		<u>Others</u>		<u>Unallocated</u>		<u>Consolidated</u>	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Other information														
Trade and other receivables	4,176	10,494	44	3	-	294	123	3,423	2,667	1,711	-	-	7,010	15,925
Property, plant and equipment											6,738	5,917	6,738	5,917
Cash and cash equivalents											3,853	4,822	3,853	4,822
Asset held for sale under FRS 105											1,152	-	1,152	-
Others											5,693	7,288	5,693	7,288
Total assets													<u>24,446</u>	<u>33,952</u>
Segment liabilities														
Trade and other payables											5,128	13,680	5,128	13,680
Other financial liabilities											2,394	1,887	2,394	1,887
Others											222	314	222	314
Total liabilities													<u>7,744</u>	<u>15,881</u>
Capital expenditure											3,107	367	<u>3,107</u>	<u>367</u>

Geographical segments

The following table provides an analysis of the Group revenue and carrying amount of segment assets and additions to property, plant and equipment by geographical market which is analysed based on the country of domicile of the customers:-

	<u>Sales Revenue</u>		<u>Carrying Amount of Segment Assets</u>		<u>Addition to Property, Plant and Equipment</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Singapore	10,335	16,908	15,520	17,744	2,969	259
Australia	80	69	35	82	-	-
Brunei	-	300	-	-	-	-
China	1,904	7,883	3,635	9,096	28	25
Europe	1,507	2,012	1,584	1,799	1	31
Hong Kong	9,725	7,486	3,115	4,625	109	2
Indonesia	12	-	554	603	-	-
Japan	133	2,560	-	-	-	-
Malaysia	-	45	-	-	-	-
Vietnam	245	163	-	-	-	-
Others	63	187	2	3	-	-
Consolidated	24,004	37,613	24,445	33,952	3,107	317

15. In the review of performance, the factors leading to any material change in contributions to turnover and earnings by the business or geographical segments.

Revenue decrease of S\$13.8 million were largely due to decrease in Singapore market (S\$6.6 million), China market (S\$6 million), Europe market (S\$0.5 million), Japan market (S\$2.4 million), and Brunei market (S\$0.3 million).

Hong Kong market had registered an increase of S\$2.2 million in sales.

Decrease in revenue of S\$6.6 million in Singapore were mainly due to slower than expected progress in projects undertaking, as well as delay in delivery of products.

Decrease in revenue of S\$6 million in China were due to discontinue of consolidation of revenue in subsidiary that was converted to associate in FY2017, as well as the slowdown in offshore and marine Industries.

Decrease in revenue of S\$2.4 million in Japan was mainly due to completion of order.

Decrease in revenue of S\$0.5 million in Europe was mainly due to the general slowdown in Offshore and marine industries.

Portable water and valves businesses, which were the main products of the Group recorded a decrease in revenue of S\$10.8 million and S\$5.1 million as a result of overall lower sales in most areas of operations except in Hong Kong.

16. A breakdown of sales

S\$'000	Group		Decrease
	31-Dec-17	31-Dec-16	
(a) Sales reported for first half year	15,657	18,234	(14.1%)
(b) Operating profit (loss) after tax before deducting minority interests reported for first half year	202	417	(51.5%)
(c) Sales reported for second half year	8,185	19,379	(57.8%)
(d) Operating profit (loss) after tax before deducting minority interests reported for second half year	(96)	(80)	NM

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable. No dividend had been declared for FY2017 and FY2016

18. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format as shown. If there is no such person, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Richard Koh Chye Heng	71	(1) Father of Koh Eddie, Managing Director cum Chief Executive Officer of Pan Asian Holdings Limited ("PAHL"). (2) Father-in-law of Indriati Khoe, Non-Executive Director of PAHL	Executive Chairman from March 2009. Develop, formulate and implement the business strategies of the Group.	None

Koh Eddie	51	(1) Son of Richard Koh Chye Heng, Executive Chairman of PAHL. (2) Husband of Indriati Khoe, Non-Executive director of PAHL.	Managing Director cum Chief Executive Officer from May 2009. Assisting the Executive Chairman in the daily operations, business development and strategy planning of the Company.	None
Kelly Koh Mee Lin	47	(1) Daughter of Richard Koh Chye Heng, Executive Chairman of PAHL. (2) Sister of Koh Eddie, Managing Director cum Chief Executive Officer of PAHL.	Sales and Marketing Director with effect from 1 August 2015. Responsible for sales and marketing of the piping, valves, tanks and other associated products for application in water and waste utility, infrastructure development, cooling water application and industrial application.	None
Indriati Khoe	51	(1) Wife of Koh Eddie, Managing Director cum Chief Executive Officer of PAHL. (2) Daughter-in-law of Richard Koh Chye Heng, Executive Chairman of PAHL.	Non-Executive Director from May 2009.	None

Mr Wu Yu Liang and Mr Lam Kwong Fai, whom are Directors of the Company have confirmed that as at 31 December 2017, they do not have any relatives who are holding a managerial position in the Company or any of its principal subsidiaries.

BY ORDER OF THE BOARD

Richard Koh Chye Heng
Executive Chairman
28 February 2018