

PAN ASIAN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. : 197902790N)

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Reclassifications and adjustments to the Unaudited Financial Statements for the Financial Year Ended 31 December 2016

The Board of Directors (the “**Board**”) of Pan Asian Holdings Limited (the “**Company**” and together with its subsidiaries, collectively the “**Group**”) refers to the Company’s announcement on SGXNET dated 28 February 2017 in relation to the unaudited full year results announcement for the financial year ended 31 December 2016 (the “**FY2016 Announcement**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board wishes to highlight certain reclassifications and adjustments to the unaudited figures in the FY2016 Announcement, following the finalization of the audit.

The clarification of the aforesaid reclassifications and adjustments is set out in Appendix 1 of this announcement.

The reclassifications and adjustments resulted in an increase of profit before taxation from S\$0.6 million to S\$0.7 million for the financial year ended 31 December 2016.

BY ORDER OF THE BOARD

Richard Koh Chye Heng

Executive Chairman

31 March 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 (the “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 assume 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.

The contact person for the Sponsor is Mr. Thomas Lam, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088

Appendix 1

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

	Group		Variance S\$'000	Notes
	Audited FY2016 S\$'000	Unaudited FY2016 S\$'000		
Revenue	37,613	37,806	(193)	A
Cost of sales	(28,602)	(28,602)	-	
Gross profit	9,011	9,204	(193)	
Interest income	7	7	-	
Other gains	718	643	75	B
Marketing and distribution costs	(4,436)	(4,436)	-	
Administrative expenses	(4,247)	(4,247)	-	
Finance costs	(121)	(121)	-	
Other losses	(110)	(296)	186	B
Share of loss from equity-accounted joint ventures	(163)	(163)	-	
Profit before tax	659	591	68	
Income tax expenses	(322)	(289)	(33)	C
Profit net of tax	337	302	35	
			-	
Other comprehensive (loss)/income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation - (Loss)	(147)	(147)	-	
Other comprehensive loss for the year, net of tax	(147)	(147)	-	
Total comprehensive income	190	155	35	
			-	
Profit attributable to owners of the parent, net of tax	304	256	48	A+B+C
Profit attributable to non-controlling interests, net of tax	33	46	(13)	A+B+C
Profit net of tax	337	302	35	
			-	
Total comprehensive income attributable to owners of the parent	182	133	49	A+B+C
Total comprehensive income attributable to non-controlling interests	8	22	(14)	A+B+C
Total comprehensive income	190	155	35	

Notes:

A: The variance was due to late adjustment made pursuant to a credit note issued after year end.

B: The variance was due to audit adjustments made pursuant to the conclusion of arbitration proceedings for Duvalco BV post 31 December 2016.

C: The variance was due to audit adjustments made.

	Audited 31-Dec-16 S\$'000	Group Unaudited 31-Dec-16 S\$'000	Variance S\$'000	Note	Audited 31-Dec-16 S\$'000	Company Unaudited 31-Dec-16 S\$'000	Variance S\$'000	Note
ASSETS								
Non-current assets								
Property, plant and equipment	5,917	5,917	-		4,598	4,598	-	
Investments in subsidiaries	-	-	-		4,245	4,245	-	
Investments in joint ventures	172	172	-		100	100	-	
Land use rights	1,357	1,357	-		-	-	-	
Other assets, non-current	78	78	-		78	78	-	
Deferred tax assets	-	-	-		-	-	-	
Total non-current assets	7,524	7,524	-		9,021	9,021	-	
Current assets								
Asset held for sale under FRS 105	-	-	-		-	-	-	
Inventories	4,745	4,745	-		620	620	-	
Trade and other receivables	15,925	15,857	68	A+C	10,340	10,533	(193)	A
Other assets, current	936	936	-		110	110	-	
Cash and cash equivalents	4,822	4,822	-		1,634	1,634	-	
Total current assets	26,428	26,360	-		12,704	12,897	-	
Total assets	33,952	33,884	-		21,725	21,918	-	
EQUITY AND LIABILITIES								
Equity attributable to owner of the parent								
Share capital	15,300	15,300	-		15,300	15,300	-	
Other reserves	237	217	20	B	-	-	-	
Retained earnings	1,585	1,556	29	A+C- D-E-B	64	257	(193)	A
Equity, attributable to owners of the parent	17,122	17,073	-		15,364	15,557	-	
Non-controlling interests	949	963	(14)	A+C- D-E-B	-	-	-	
Total equity	18,071	18,036	-		15,364	15,557	-	
Non-current liabilities								
Deferred tax liabilities	53	53	-		33	33	-	
Other Financial Liabilities, Non-Current	81	81	-		81	81	-	
Total non-current liabilities	134	134	-		114	114	-	
Current liabilities								
Income tax payable	261	51	210	D	-	-	-	
Other financial liabilities, current	1,806	1,806	-		1,806	1,806	-	
Trade and other payables, current	13,680	13,857	(177)	E	4,441	4,441	-	
Total current liabilities	15,747	15,714	-		6,247	6,247	-	
Total liabilities	15,881	15,848	-		6,361	6,361	-	
Total equity and liabilities	33,952	33,884	-		21,725	21,918	-	

Notes:

- A: The variance was due to late adjustment made pursuant to a credit note issued after year end.
B: The variance was due to transfer of retained earnings to other reserve for an overseas subsidiary.
C: The variance was due to audit adjustments made pursuant to the conclusion of arbitration proceedings for Duvalco BV post 31 December 2016.
D: The variance was due to reclassification of \$177,000 from other payables, current to income tax payable and audit adjustment for income tax payable for an overseas subsidiary.
E: The variance was due to reclassification of \$177,000 from other payables, current to income tax payable.

	Audited	Group	
	Year ended	Unaudited	
	31-Dec-16	31-Dec-16	Variance
	S\$'000	S\$'000	S\$'000
Cash flows from operating activities			
Profit before tax	659	591	68
Adjustments for:			
Amortisation of land use rights	60	60	-
Depreciation of property, plant and equipment	549	549	-
Impairment loss on goodwill	-	-	-
Impairment loss on joint ventures	5	5	-
Impairment of property, plant and equipment	-	-	-
Interest income	(7)	(7)	-
Interest expense	121	121	-
Losses on disposal of subsidiaries	22	-	22
Gains on disposal of property, plant and equipment, net	(39)	(39)	-
Share of loss from equity-accounted joint ventures	163	163	-
Operating cash flow before changes in working capital	<u>1,533</u>	<u>1,443</u>	90
Trade and other receivables	(90)	(22)	(68)
Other assets	929	929	-
Inventories	234	234	-
Trade and other payables	<u>(583)</u>	<u>(410)</u>	(173)
Net cash flows from operations	2,023	2,174	(151)
Income taxes paid	<u>(160)</u>	<u>(337)</u>	177
Net cash flows from operating activities	<u>1,863</u>	<u>1,837</u>	26
Cash flows from investing activities			
Acquisition of non-controlling interest of subsidiary	-	-	-
Disposal of subsidiaries (net of cash disposed)	(41)	-	(41)
Interest received	7	7	-
Proceeds from disposal of property, plant and equipment	181	256	(75)
Purchase of property, plant and equipment	(317)	(392)	75
Proceeds from investment held for disposal	120	120	-
Net cash flows used in from investing activities	<u>(50)</u>	<u>(9)</u>	(41)
Cash flows from financing activities			
Finance lease repayment	(145)	(145)	-
Interest paid	(121)	(121)	-
Dividend paid on ordinary shares	(1,071)	(1,071)	-
Proceeds/(repayment) of bank borrowings	5	5	-
Net cash flows used in financing activities	<u>(1,332)</u>	<u>(1,332)</u>	-
Net increase in cash and cash equivalents	481	496	(15)
Effect of exchange rate changes on cash and cash equivalent	32	17	15
Cash and cash equivalents, statement of cash flows, beginning balance	<u>4,309</u>	<u>4,309</u>	-
Cash and cash equivalents, statement of cash flows, ending balance	<u>4,822</u>	<u>4,822</u>	-
Represented by:			
Cash and cash equivalents	4,822	4,822	
Bank overdraft	-	-	
Cash and cash equivalents, statement of cash flows, ending balance	<u>4,822</u>	<u>4,822</u>	

Notes:

As a result of the change to the consolidated statement of financial position, consolidated income statement and change in presentation format, correspondent changes has been made to the consolidated statement of cash flows; and it should be read in conjunction with the audited consolidated statement of financial position and audited consolidated income statement