

PAN ASIAN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. : 197902790N)

INTERESTED PERSON TRANSACTIONS

1. Introduction

The Board of Directors (the “**Board**”) of Pan Asian Holdings Limited (the “**Company**”) and together with its subsidiaries, collectively the “**Group**”) wishes to announce that the Group has, due to a revision of processes/procedures for the financial year ended 31 December 2017, not renewed the general shareholders mandate for interested person transactions (“**IPTs**”) as defined in Chapter 9 of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”) with Duvalco International Pte. Ltd. (“**Duvalco International**”) and Duvalco Valves Wuxi Co. Ltd (“**Duvalco Wuxi**”) (collectively, the “**Interested Persons**”). Please refer to Section 2 for more details of the Interested Persons.

The aggregate value of all transactions entered with the same interested persons for the financial year ended 31 December 2017 has exceeded 3% of the Group’s latest audited net tangible assets (“**NTA**”).

2. Information on the Interested Persons

Duvalco International

Duvalco International is a company wholly-owned by Xu Jia Zu Holdings Pte Ltd (“**XJZ**”). The Directors and Shareholders of XJZ are Koh Eddie and Richard Koh Chye Heng. The Directors of Duvalco International are Richard Koh Chye Heng and Koh Bee Soo.

Koh Eddie is the Managing Director and Chief Executive Officer of the Company, Richard Koh Chye Heng is the Executive Chairman of the Company, and Koh Bee Soo is sister of Richard Koh Chye Heng.

Duvalco Wuxi

Duvalco Wuxi is a company wholly-owned by Richard Koh Chye Heng, the Executive Chairman of the Company.

As such, Duvalco International and Duvalco Wuxi are considered ‘associates’ of the controlling shareholder and are interested persons under Chapter 9 of the Catalist Rules. Accordingly, all transactions entered into between the Group, Duvalco International and Duvalco Wuxi constitutes an “interested person transaction” under Chapter 9 of the Catalist Rules.

3. Details of the Interested Person Transactions

Duvalco International

Duvalco International is the owner and Licensor to “Duvalco” trademark and “Duvalco” IP Rights.

For the use of the Duvalco Trademark and the Duvalco IP Rights, the Group pays royalties of 5% of gross sale of Duvalco Brand of products to Duvalco International (the “**Royalty Payments**”).

The Royalty Payments as at 31 December 2017 amounted to S\$113,514 or 0.63% of the Group’s latest audited net tangible assets of approximately S\$18,071,000 as at 31 December 2016 (“**2016 NTA**”). The above transactions were conducted pursuant to the specific mandate obtained from shareholders of the Company at the extraordinary general meeting held on 22 November 2013.

Duvalco Wuxi

The Group purchases water and sanitary valves, fittings and ancillary products bearing the Duvalco Trademark from Duvalco Wuxi from time to time. Comparisons of market price for similar products were conducted and presented to the Board periodically (“**Product Purchases**”).

The Product Purchases as at 31 December 2017 amounted to S\$704,760 or 3.90% of the 2016 NTA.

The Royalty Payments and Product Purchases are collectively referred to as the “**Transactions**”.

As the aggregate value of the Transactions have exceeded 3% but less than 5% of the Group’s latest audited net tangible assets, the Company is therefore required to make an immediate disclosure to SGX-ST of the interested person transaction as required under Rule 905 of the Catalist Rules.

4. Interested Person Transactions

The value of all IPTs conducted since 1 January 2017 to 31 December 2017 is as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$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 S\$100,000)
Royalty Payments to Duvalco International #	S\$113,514	Nil
Product Purchase from Duvalco Wuxi	S\$704,760	Nil
Total	S\$818,274	Nil

Note:

Shareholders’ approval has been obtained on 22 November 2013 with respect to the Royalty Payments. Please refer to the Circular to Shareholder dated 7 November 2013 for further information.

5. Rationale For The Transactions

The Directors are of the view that it will be beneficial to our Group to be able to continue to transact with the Interested Persons.

Duvalco is a leading brand in water infrastructure and marine industries. Apart from its reputation for quality, its Dutch origin and its history of over 50 years are also the major selling point to Company's spectrum of products.

Duvalco brand of products contributed to 21.5% of total revenue in the financial year ended 31 December 2016. It is expected to continue to be a major contributor to the Group's revenue in the financial year ended 31 December 2017 and beyond.

6. Audit Committee's Statement

The Audit Committee has noted that the Transactions were conducted on the same terms as previously contemplated under the general shareholders mandate.

The Audit Committee and the Board are therefore of the view that all the Transactions were entered into on arm's length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority shareholders.

7. Interest Of Directors and Substantial Shareholders

Save as disclosed above and other than through their respective shareholdings in the Company, none of the Directors or substantial Shareholders of the Company has any interest, direct or indirect, in the Transactions.

The Company have reviewed the information with respect to the Transactions after the financial year and would implement measures to improve the review and ensure timely disclosure of IPTs in the future.

BY ORDER OF THE BOARD

Richard Koh Chye Heng
Executive Chairman
30 January 2018

*This announcement has been prepared by the Company and 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 Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).