

CIRCULAR DATED 3 DECEMBER 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

If you have sold or transferred all your ordinary shares in the capital of Pan Asian Holdings Limited (the “**Company**”) held through the Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of EGM and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of EGM and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should forward this Circular with the Notice of EGM and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (“**Sponsor**”), in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist.

This Circular has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Circular including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms Jennifer Tan, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).



PAN ASIAN HOLDINGS LIMITED

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**THE PROPOSED DISPOSAL OF THE ENTIRE PAID-UP SHARE CAPITAL OF
PAN ASIAN MANUFACTURING (TIANJIN) CO., LTD,
WHICH CONSTITUTES A MAJOR TRANSACTION**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	16 December 2019 at 2.00 p.m.
Date and time of Extraordinary General Meeting	:	18 December 2019 at 2.00 p.m.
Place of Extraordinary General Meeting	:	2 Tuas South Link 3, Singapore 636882

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated or where the context otherwise requires:-

“Agreement”	:	The share transfer agreement dated 30 October 2019 entered into between the Company and the Purchasers, pursuant to which the Company shall transfer the Sale Shares to the Purchasers
“Board”	:	The board of Directors of the Company, as at the date of this Circular
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, varied or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 3 December 2019 in relation to the Proposed Disposal
“Company”	:	Pan Asian Holdings Limited
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of all voting Shares. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, varied or supplemented from time to time
“Completion”	:	The completion of the transfer of the Sale Shares by the Company to the Purchasers
“Deposit”	:	The deposit of RMB3,000,000 (equivalent to approximately SGD578,700) paid by the Purchasers to the Company on 8 November 2019, which constitutes part payment of the Sale Consideration
“Director”	:	A director of the Company for the time being
“EGM”	:	The extraordinary general meeting of the Company, notice of which is set out on pages 13 and 14 of this Circular
“FY”	:	Financial year ended or, as the case may be, ending 31 December

DEFINITIONS

“Group”	:	The Company and its subsidiaries
“HY”	:	Half year ended or, as the case may be, ending 30 June
“Introducer”	:	Flat Sea Marine Equipment Limited
“Introducer Fee”	:	The fee of RMB2,000,000 (equivalent to approximately SGD385,800) payable by the Company to the Introducer, an independent third party engaged by the Company, upon successful completion of the transfer of the Sale Shares to the Purchasers
“Land”	:	The piece of industrial land of approximately 29,796 square metres situated in Tianjin Ecocity, PRC, the LUR of which is owned by PAM Tianjin
“Latest Practicable Date”	:	28 November 2019, being the latest practicable date prior to the printing of this Circular
“LUR”	:	Land use rights for a period of 50 years from 8 March 2010 to 7 March 2060 in respect of the Land
“NTA”	:	Net tangible assets
“PAM Tianjin”	:	Pan Asian Manufacturing (Tianjin) Co., Ltd (百益胜(天津)流体制造有限公司), a wholly-owned direct subsidiary of the Company
“PRC”	:	People’s Republic of China
“Proposed Disposal”	:	The proposed disposal of the entire paid-up share capital of PAM Tianjin to the Purchasers
“Purchasers”	:	Li Wei Jiang (李卫江) and Li Ya Feng (李亚峰), collectively
“RMB”	:	Renminbi, the lawful currency of the People’s Republic of China
“Sale Consideration”	:	The aggregate sum of RMB14,645,709 (equivalent to approximately SGD2,825,175)
“Sale Shares”	:	The entire paid-up share capital of PAM Tianjin
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, varied or supplemented from time to time
“SGD”	:	Singapore Dollar, the lawful currency of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

DEFINITIONS

“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the persons to whose securities accounts maintained with CDP are credited with the Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.
“Substantial Shareholder”	:	A person who holds directly or indirectly 5% or more of the total number of issued Shares excluding treasury shares in the Company
“%” or “percent”	:	Percentage or per centum

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Catalist Rules or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act, the Catalist Rules or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the sum of listed amounts and the totals thereof shown are due to rounding. Accordingly, figures shown as totals in the Circular may not be an arithmetic aggregation of the figures which precede them.

Unless otherwise stated, the following exchange rate has been used in this Circular: RMB0.1929: SGD1.00. The exchange rate as aforesaid is used for illustration purposes only and shall not be construed as a representation that the relevant amounts have been or can be converted at the rate aforesaid or at any other rate.

LETTER TO SHAREHOLDERS

PAN ASIAN HOLDINGS LIMITED

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

Directors:–

Richard Koh Chye Heng (Executive Chairman)
Koh Eddie (Managing Director and Chief Executive Officer)
Thomas Lam Kwong Fai (Lead Independent Non-Executive Director)
Wu Yu Liang (Independent Non-Executive Director)
Indriati Khoe (Non-Executive Director)

Registered Office:–

2 Kallang Avenue
CT Hub #05-19
Singapore 339407

3 December 2019

To: The Shareholders of Pan Asian Holdings Limited

Dear Sir/Madam

1. INTRODUCTION

The Directors of the Company are convening the EGM to be held on 18 December 2019 to seek Shareholders' approval for the proposed disposal of 100% of the paid-up share capital of PAM Tianjin to Li Wei Jiang and Li Ya Feng for an aggregate consideration of RMB14,645,709 (equivalent to approximately SGD2,825,175).

The purpose of this Circular is to provide Shareholders with information relating to and to seek Shareholders' approval for the Proposed Disposal at the forthcoming EGM.

The SGX-ST assumes no responsibility for the contents of this Circular including the correctness of any of the statements made or opinions expressed or reports contained in this Circular. The Sponsor has reviewed this Circular in accordance with Rules 226(2)(b) and 753(2) of the Catalist Rules.

2. THE PROPOSED DISPOSAL

2.1 Background

On 30 October 2019, the Company entered into the Agreement with the Purchasers for the sale and purchase of the Sale Shares at the Sale Consideration.

The Proposed Disposal constitutes a "major transaction" under Rule 1014 of the Catalist Rules and is therefore subject to Shareholders' approval in a general meeting.

2.2 Rationale and Benefits of the Proposed Disposal

PAM Tianjin was incorporated to be the Group's headquarters in Tianjin Ecocity and to consolidate the Group's pipe and valve manufacturing operations in the PRC. The main asset of PAM Tianjin is the land use rights for a piece of industrial land of approximately 29,796 square metres situated in Tianjin Ecocity, PRC.

LETTER TO SHAREHOLDERS

The LUR was purchased by PAM Tianjin from Sino-Singapore Tianjin Eco-City Investment and Development Co. Ltd in FY2011 and the rights will expire in 2060. However, the LUR has been underutilised and the Land has not been developed as planned due to changes in the Tianjin Government's environmental regulations and the economic outlook. As at the Latest Practicable Date, no development or construction has taken place on the Land. The Land is currently bare.

PAM Tianjin has been operationally dormant since incorporation and has thus not generated any operating revenue since incorporation. As such, the Group's investment in PAM Tianjin has not been generating returns to date. The Company has been actively sourcing for a purchaser for the LUR since FY2015. However, its attempts to secure a purchaser had been unsuccessful until the signing of the Agreement with the Purchasers.

The Proposed Disposal is being undertaken pursuant to a strategic review of the financial position, operational needs, long-term strategy and direction of the Group. The Proposed Disposal will free up cash flows that would enable the Group to focus on its core business by channelling its resources to improve production and operational efficiency. Proceeds from the Proposed Disposal will improve the Group's cash flow liquidity and enable the Group to support its core operations.

Further, to continue investing in PAM Tianjin may pose greater risks for the Group due to uncertainty over the LUR's potential use. The associated risks include a potential penalty enforceable by the Tianjin Government against PAM Tianjin for not commencing development on the Land and in the worst-case scenario, confiscation of the Land by the Tianjin Government. As at the Latest Practicable Date, there has been no penalty imposed on PAM Tianjin nor has there been a notice issued for confiscation of the Land. Based on the aforesaid, the Board is of the view that it would be in the best interest of the Group to dispose of the Group's interest in PAM Tianjin and its LUR.

2.3 Principal Terms of the Proposed Disposal

The principal terms of the Proposed Disposal are set out as follows:

2.3.1 Sale Consideration

The Sale Consideration was arrived at in good faith and on an arm's length basis, taking into account the following factors:

- (i) the unaudited net book value of the LUR of RMB5,695,163 (equivalent to approximately SGD1,098,597) as at 30 October 2019;
- (ii) the unaudited net asset value of PAM Tianjin as at 30 October 2019 as recorded in the books of the Company being RMB9,081,000 (equivalent to approximately SGD1,751,736) ("**PAM Tianjin NAV**"); and
- (iii) the repayment of all inter-company balances owing to PAM Tianjin amounting to RMB4,649,709 (equivalent to approximately SGD896,934) from PA Water Solutions (Shanghai) Ltd, a wholly-owned subsidiary of the Company, as at 30 October 2019 (the "**Inter-Company Balance**").

LETTER TO SHAREHOLDERS

The Introducer Fee, which is payable upon Completion, was derived based on the premise that the Introducer procures a purchaser for PAM Tianjin for a consideration of not less than RMB12,000,000 (equivalent to approximately SGD2,314,800).

Further details on the Introducer are set out in Section 3.3 of this Circular.

2.3.2 Terms of Payment

The Sale Consideration for the Proposed Disposal will be fully satisfied in cash.

The Purchasers had paid the Company the Deposit of RMB3,000,000 (equivalent to approximately SGD578,700) in cash, which constitutes part payment of the Sale Consideration, on 8 November 2019.

Subject to the receipt of Shareholders' approval for the Proposed Disposal, the transfer of the Sale Shares will be carried out concurrently with the payment of the remaining balance of the Sale Consideration amounting to approximately RMB11,645,709 (equivalent to approximately SGD2,246,475) on Completion, which is expected to take place by 28 February 2020.

2.3.3 Conditions Precedent

The key conditions precedent to Completion include the following:

- (i) the obtaining of requisite approvals and consents for the Proposed Disposal and for the transfer of the Sale Shares from Shareholders and governmental authorities, where applicable, by 28 February 2020;
- (ii) the Deposit being received by the Company from the Purchasers by 8 November 2019;
- (iii) the settlement of the Inter-Company Balance; and
- (iv) the settlement of the balance Sale Consideration by 28 February 2020.

The condition precedent set out in sub-paragraph (ii) above has been fulfilled as at the Latest Practicable Date.

For the avoidance of doubt, the Purchasers are responsible for obtaining the requisite approvals and consents for the Proposed Disposal and for the transfer of Sale Shares from governmental authorities referred to in sub-paragraph (i) above.

2.4 Use of Proceeds

The net cash proceeds (after deducting the Introducer Fee and settlement of the Inter-Company Balance) from the Proposed Disposal of RMB8,000,000 (equivalent to approximately SGD1,500,000) will be used by the Group for working capital purposes, including but not limited to payment of operating expenses such as general overheads, salary and trade purchases.

LETTER TO SHAREHOLDERS

2.5 Value of Sale Shares

As at 30 October 2019, the value of the Sale Shares as recorded in the books of the Company was RMB9,081,000 (equivalent to approximately SGD1,751,736), being the PAM Tianjin NAV.

The excess of the Sale Consideration over the PAM Tianjin NAV would be approximately SGD567,923 (equivalent to approximately RMB2,944,113).

3. INFORMATION ON PAM TIANJIN, THE PURCHASERS AND THE INTRODUCER

3.1 PAM Tianjin

PAM Tianjin is a wholly-owned direct subsidiary of the Company established on 23 July 2010 under the laws of the PRC. Its registered principal business activities include the manufacturing and supply of pipes, fittings, valves and other related accessories. PAM Tianjin has a paid-up capital of RMB22,903,995 and its principal asset is the LUR for the Land. PAM Tianjin has been operationally dormant since incorporation and thus has not generated any operating revenue since incorporation.

3.2 The Purchasers

The Purchasers are PRC nationals, Li Wei Jiang and Li Ya Feng, who are both businessmen. The Purchasers do not hold, directly or indirectly, any Shares in the capital of the Company and are independent third parties. They are also not related to any Director or Controlling Shareholder of the Company.

3.3 The Introducer

The Introducer, Flat Sea Marine Equipment Limited, is a company incorporated in Hong Kong and involved in the marine and offshore business. Flat Sea Marine Equipment Limited is wholly-owned by Li Guo Feng, a former business partner of the Company. The Introducer and Li Guo Feng are third parties independent from the Company, Directors, Controlling Shareholders and the Purchasers.

LETTER TO SHAREHOLDERS

4. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

The relative figures of the Proposed Disposal computed on the bases as set out in Rule 1006 of the Catalist Rules using the Group's latest announced unaudited consolidated financial statements for HY2019 are set out below:

Rule 1006	Bases of calculation	Relative figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value	11.50 ⁽¹⁾
(b)	The net loss attributable to the assets acquired or disposed of compared with the group's net profits	(5.31) ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares	65.95 ⁽³⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	N.A. ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves	N.A. ⁽⁵⁾

Notes:-

- (1) The unaudited net asset value of the Group and PAM Tianjin as at 30 June 2019 were approximately SGD15,946,000 and SGD1,833,178, respectively.
- (2) The unaudited net profit of the Group for HY2019 was approximately SGD616,000 and the unaudited net loss of PAM Tianjin for HY2019 was approximately SGD32,705.
- (3) The Company's market capitalisation was approximately SGD4,284,040, computed by multiplying 214,202,036 Shares by the volume-weighted average price per Share of SGD0.020 as at 24 October 2019 (being the last trading day for the Shares of the Company preceding the date of the Agreement).
- (4) Not applicable, as no equity securities will be issued by the Company as consideration in respect of the Proposed Disposal.
- (5) Not applicable, as the Proposed Disposal is not a disposal of mineral, oil and gas assets.

As the relative figure under Rule 1006(c) of the Catalist Rules exceeds 50%, the Proposed Disposal constitutes a "major transaction" as defined under Chapter 10 of the Catalist Rules and will accordingly be subject to the approval of the Shareholders at the EGM.

Notwithstanding that the relative figure under Rule 1006(b) of the Catalist Rules is a negative figure, the Proposed Disposal relates to a disposal of a loss-making dormant subsidiary and the approval of Shareholders in respect of the Proposed Disposal will be sought at the EGM.

LETTER TO SHAREHOLDERS

5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

5.1 Bases and Assumptions

The pro forma financial effects of the Proposed Disposal are presented for illustration purposes only and do not reflect the actual future financial performance and position of the Group after Completion. The financial effects of the Proposed Disposal are based on the Group's latest audited financial statements for FY2018 and the following assumptions:

- (a) the financial effects on the Group's net tangible asset (the "NTA") attributable to the Shareholders and the NTA per Share have been computed assuming that Completion took place on 31 December 2018; and
- (b) the financial effects on the Group's earnings attributable to the Shareholders and the loss per Share have been computed assuming that Completion took place on 1 January 2018.

The pro forma financial effects take into account the Introducer Fee.

5.2 Gain on Disposal

Upon Completion, the Group will recognise a gain on disposal of RMB537,441 (equivalent to approximately SGD103,672). The net cash proceeds (after deducting the Introducer Fee and settlement of the Inter-Company Balance) from the Proposed Disposal is approximately RMB8,000,000 (equivalent to approximately SGD1,500,000).

5.3 NTA per Share

	Before the Proposed Disposal	After the Proposed Disposal
NTA of the Group (SGD'000)	15,587	16,243
Number of Shares ('000)	214,202	214,202
NTA per Share (Singapore cents)	7.28	7.58

5.4 Earnings per Share

	Before the Proposed Disposal	After the Proposed Disposal
Net profit (SGD'000)	506	1,092
Weighted average number of Shares ('000)	214,202	214,202
Earnings per Share (Singapore cents)	0.24	0.51

LETTER TO SHAREHOLDERS

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders in the share capital of the Company as at the Latest Practicable Date are, as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Directors				
Richard Koh Chye Heng ⁽¹⁾	–	–	165,137,500	77.09
Koh Eddie ⁽²⁾	–	–	165,137,500	77.09
Indriati Khoe ⁽³⁾	–	–	165,137,500	77.09
Thomas Lam Kwong Fai	–	–	–	–
Wu Yu Liang	–	–	–	–
Substantial Shareholders (other than Directors)				
Xu Jia Zu Holdings Pte. Ltd.	165,137,500	77.09	–	–

Notes:–

- (1) Richard Koh Chye Heng is deemed to have an interest in the 165,137,500 Shares held by Xu Jia Zu Holdings Pte. Ltd. by virtue of his holding more than 20% of the total issued shares in Xu Jia Zu Holdings Pte. Ltd.. Mr Richard Koh Chye Heng also holds 1 golden share in Xu Jia Zu Holdings Pte. Ltd. and by virtue of Xu Jia Zu Holdings Pte. Ltd.'s Constitution, he is deemed to have the ability to exercise dominant influence over the parent company as well as the listed company.
- (2) Mr Koh Eddie is deemed to have an interest in the 165,137,500 Shares held by Xu Jia Zu Holdings Pte. Ltd. by virtue of his holding more than 20% of the total issued shares in Xu Jia Zu Holdings Pte. Ltd..
- (3) Indriati Khoe is deemed to have an interest in the shares held by her spouse, Koh Eddie, in Xu Jia Zu Holdings Pte. Ltd..

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings in the Company (if any).

7. SERVICE AGREEMENT

There are no directors proposed to be appointed to the Board in connection with the Proposed Disposal.

8. DIRECTORS' RECOMMENDATION

Having considered the terms, and the rationale and benefits of the Proposed Disposal as set out in this Circular, the Directors are of the view that the Proposed Disposal is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution to approve the Proposed Disposal at the EGM.

LETTER TO SHAREHOLDERS

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 13 and 14 of this Circular, will be held at 2 Tuas South Link 3, Singapore 636882 on 18 December 2019 at 2.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution set out in the Notice of EGM.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company not less than 48 hours before the time fixed for the EGM. The completion and lodgement of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the EGM.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

12. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 2 Kallang Avenue, CT Hub #05-19, Singapore 339407 during normal business hours from the date of this Circular up to the date of the EGM:—

- (a) the Agreement; and
- (b) the Annual Report of the Company for FY2018.

Yours faithfully

For and on behalf of the Board of Directors of
PAN ASIAN HOLDINGS LIMITED

Richard Koh Chye Heng
Executive Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

PAN ASIAN HOLDINGS LIMITED

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Pan Asian Holdings Limited (the “**Company**”) will be held at 2 Tuas South Link 3, Singapore 636882 on 18 December 2019 at 2.00 p.m., for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolution:–

ORDINARY RESOLUTION

PROPOSED DISPOSAL OF THE ENTIRE PAID-UP SHARE CAPITAL OF PAN ASIAN MANUFACTURING (TIANJIN) CO., LTD

That:–

- (i) approval be and is hereby given for the Company to dispose of the entire paid-up share capital of Pan Asian Manufacturing (Tianjin) Co., Ltd to Li Wei Jiang and Li Ya Feng (the “**Purchasers**”) at a sale consideration of RMB14,645,709 (equivalent to approximately SGD2,825,175) on the terms and subject to the conditions set out in the share transfer agreement dated 30 October 2019 entered into between the Company and the Purchasers; and
- (ii) any of the directors of the Company be and is hereby authorised to enter into all such transactions, arrangements and agreements and approve, execute and deliver all documents and do all deeds and things as may be necessary, expedient, incidental or in the interests of the Company to give effect to the aforesaid approval.

By Order of the Board

Richard Koh Chye Heng
Executive Chairman
3 December 2019

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:--

- (i) Unless otherwise permitted under the Companies Act, Chapter 50 (the "**Companies Act**"), a member of the Company entitled to attend and vote at the EGM may appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (ii) Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.
- (iii) A member who is a relevant intermediary (as defined in the Companies Act) 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 such member.
- (iv) If the member is a corporation, the instrument appointing the proxy must be under its common seal or signed by its duly authorised officer or attorney.
- (v) The duly executed instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 2 Kallang Avenue, CT Hub #05-19, Singapore 339407 not less than 48 hours before the time appointed for holding the EGM.

Personal data privacy:--

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM 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 the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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**"), and (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 (iii) 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.

PROXY FORM

PAN ASIAN HOLDINGS LIMITED

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

PROXY FORM

IMPORTANT

1. For investors who have used their CPF/SRS moneys to buy shares in the capital of Pan Asian Holdings Limited, this Circular is forwarded to them at the request of their Agent Banks/SRS Operators and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by such CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____ (Name)

of _____ (Address)

being a *member/members of PAN ASIAN HOLDINGS LIMITED (the "Company") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf, at the Extraordinary General Meeting of the Company to be held at 2 Tuas South Link 3, Singapore 636882 on 18 December 2019 at 2.00 p.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the resolution to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

Ordinary Resolution	For	Against
To approve the Proposed Disposal		

(Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against the resolution as set out in the Notice of the Meeting.)

Signed this _____ day of _____ 2019

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

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:–

1. Unless otherwise permitted under the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), a member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form.
3. A member who is a relevant intermediary (as defined in the Companies Act) 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 such member.
4. 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, Chapter 289 of Singapore), 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. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.
5. This proxy form duly executed must be deposited at the registered office of the Company at 2 Kallang Avenue, CT Hub #05-19, Singapore 339407 not less than 48 hours before the time set for the EGM.
6. This proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
7. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form shall be treated as invalid.
8. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company. In view of section 81SJ(4) of the SFA, a depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his/her name appears in the Depository Register maintained by the CDP at least seventy-two (72) hours before the EGM. Any Shareholder who is holding his/her shares via the CDP but whose name is not registered with the CDP seventy-two (72) hours before the EGM will not be entitled to attend and vote at the EGM. Accordingly, even if such shareholder deposits his proxy form forty-eight (48) hours before the EGM, his proxy will not be entitled to attend and vote at the EGM.
9. By submitting this proxy form, a member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 3 December 2019.

