

**FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31
DECEMBER 2013**

This announcement has been prepared by the Company and reviewed by the Company's sponsor, CNP Compliance Pte. Ltd. ("Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.

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PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS FULL YEAR RESULTS

1(a) A Consolidated Statement of Profit or Loss and Other Comprehensive Income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Year ended 31-Dec-13 S\$'000	Year ended 31-Dec-12 S\$'000	Increase/ (Decrease) %
Revenue	47,562	50,581	-5.97%
Cost of Sales	(37,961)	(39,133)	-2.99%
Gross Profit	9,601	11,448	-16.13%
	20%	23%	
<u>Other Items of Income</u>			
Interest Income	5	84	-94.05%
Other Credits	216	694	-68.88%
<u>Other Items of Expense</u>			
Marketing and Distribution Costs	(5,927)	(5,512)	7.53%
Administrative Expenses	(5,542)	(5,677)	-2.38%
Finance Costs	(255)	(281)	-9.25%
Other Charges	(443)	(310)	42.90%
Share of Loss from Equity-Accounted Joint Ventures	(40)	(60)	-33.33%
(Loss)/Profit Before Tax	(2,385)	386	NM
Income Tax Expense	(36)	(257)	-85.99%
(Loss)/Profit Net of Tax	(2,421)	129	NM
(Loss)/Profit Attributable to Owners of the Parent, Net of Tax	(1,412)	55	NM
(Loss)/Profit Attributable to Non-Controlling Interests, Net of Tax	(1,009)	74	NM
(Loss)/Profit Net of Tax	(2,421)	129	NM
<u>Other Comprehensive (Loss)/Income</u>			
(Loss)/Profit for the year	(2,421)	129	NM
Exchange Differences on Translating Foreign Operations, Net of Tax	254	(231)	NM
Total Comprehensive Loss	(2,167)	(102)	2029.78%
Total Comprehensive (Loss)/Income Attributable to Owners of the Parent	(1,157)	(105)	999.31%
Total Comprehensive (Loss)/Income Attributable to Non-Controlling Interests	(1,010)	3	NM
Total Comprehensive Loss	(2,167)	(102)	2014.71%

Notes to Consolidated Statement of Comprehensive Income

	Year ended 31-Dec-13 S\$'000	Year ended 31-Dec-12 S\$'000	Increase/ (Decrease) %
<u>Revenue</u>			
Sale of Goods	47,392	49,912	-5.05%
Commission Income	5	113	-95.51%
Rental Income	98	120	-18.36%
Other Income	67	436	-84.61%
	47,562	50,581	-5.97%
Interest Income	5	84	-93.56%
<u>Other Credits</u>			
Foreign Exchange Adjustment Gain	174	-	NM
Gain on Bargain Purchases	-	246	NM
Government Grants Income	42	10	320.29%
Refund of Shortfall in Profit Guarantee by Vendor	-	427	NM
Recharge of Expenses Incurred	-	11	NM
	216	694	-68.86%
<u>Finance Costs</u>			
Interest Expense	(255)	(281)	-9.25%
<u>Other Charges</u>			
Bad Debts Written off for trade receivables	-	(27)	NM
Loss on Disposal of Subsidiary	(2)	-	NM
Allowance for impairment on trade receivables	(101)	(41)	147.07%
Net Reversal of Allowance for Inventories	-	(59)	NM
Amortisation of Intangible Asset	(114)	(159)	-28.11%
Loss on Disposal of Plant and Equipment	(226)	-	NM
Foreign Exchange Adjustment Losses	-	(24)	NM
	(443)	(310)	43.13%

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.

	<u>Group</u> <u>31-Dec-13</u> <u>S\$'000</u>	<u>Group</u> <u>31-Dec-12</u> <u>S\$'000</u>	<u>Company</u> <u>31-Dec-13</u> <u>S\$'000</u>	<u>Company</u> <u>31-Dec-12</u> <u>S\$'000</u>
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	6,780	7,464	2,696	2,850
Investments in Subsidiaries	-	-	10,445	11,100
Investments in Joint Ventures	110	100	105	105
Intangible Assets	2,456	2,510	-	-
Land Use Rights	2,821	2,809	-	-
Other Assets, Non-Current	341	260	103	87
Total Non-Current Assets	12,508	13,143	13,349	14,142
Current Assets				
Inventories	7,659	6,952	4,036	2,685
Trade and Other Receivables	20,742	19,343	16,666	18,601
Other Assets, Current	3,157	2,373	952	469
Cash and Cash Equivalents	4,952	3,906	2,328	937
Total Current Assets	36,510	32,574	23,982	22,692
Total Assets	49,018	45,717	37,331	36,834
EQUITY AND LIABILITIES				
Equity attributable to owner of the parent				
Share Capital	15,300	13,194	15,300	13,194
Other Reserves, Total	18	(237)	-	-
Retained Earnings	7,784	9,196	7,595	9,843
Equity, Attributable to Owners of the Parent	23,102	22,153	22,895	23,037
Non-Controlling Interests	1,611	2,461	-	-
Total Equity	24,713	24,614	22,895	23,037
Non-Current Liabilities				
Deferred Tax Liabilities	101	216	81	81
Finance Leases, Non-Current	195	200	16	49
Total Non-Current Liabilities	296	416	97	130
Current Liabilities				
Income Tax Payable	641	562	253	253
Other Financial Liabilities	11,277	5,013	8,472	4,055
Finance Leases, Current	84	108	33	69
Trade and Other Payables	12,007	15,004	5,581	9,290
Total Current Liabilities	24,009	20,687	14,339	13,667
Total Liabilities	24,305	21,103	14,436	13,797
Total Equity and Liabilities	49,018	45,717	37,331	36,834

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

Amount repayable in one year or less, or on demand

As at 31-Dec-13		As at 31-Dec-12	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
84	11,277	108	5,013

Amount repayable after one year

As at 31-Dec-13		As at 31-Dec-12	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
195	0	200	0

The group's bank borrowing and debt securities as at 31 December 2013 were secured / covered by:

- A negative pledge over the assets of the company
- Corporate guarantees from the company
- Personal guarantee from related party of subsidiary

The obligations under finance lease are secured by a charge over the leased assets and the personal guarantee from a director of company.

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

	Group 31-Dec-13 S\$'000	Group 31-Dec-12 S\$'000
Cash Flows From Operating Activities		
(Loss)/Profit Before Tax	(2,385)	386
Adjustments for:		
Loss on Disposal of Subsidiary	(2)	-
Depreciation of Property, Plant and Equipment	864	954
Loss on Disposal of Plant and Equipment	226	-
Refund of Shortfall in Profits Guarantee	-	(427)
Amortisation of Intangible Asset	54	116
Amortisation of Land Use Rights	60	43
Gain on Bargain Purchases	-	(246)
Share of Loss from Equity-Accounted Joint Ventures	40	60
Interest Income	(5)	(84)
Interest Expense	255	281
Operating Cash Flow before Changes in Working Capital	<u>(893)</u>	<u>1,083</u>
Cash Restricted In Use Over 3 months	-	1,000
Trade and Other Receivables	(1,392)	(603)
Other Assets	(888)	532
Inventories	(707)	(2,494)
Trade and Other Payables	<u>(2,997)</u>	<u>(1,398)</u>
Net Cash Flows used in Operations	(6,877)	(1,880)
Income Taxes Paid	<u>(72)</u>	<u>(18)</u>
Net Cash Flows Used in Operating Activities	<u>(6,949)</u>	<u>(1,898)</u>
Cash Flows From Investing Activities		
Purchase of Plant and Equipment	(546)	(406)
Proceeds from Disposal of Plant and Equipment	22	-
Disposal of Non Controlling Interest Without Change in Control	-	60
Acquisition/Incorporation of Subsidiaries (Net of Cash Acquired)	162	(489)
Investment in Joint Ventures	(50)	(100)
Interest Received	5	84
Net Cash Flows Used in Investing Activities	<u>(407)</u>	<u>(851)</u>
Cash Flows From Financing Activities		
Interest Paid	(232)	(281)
Increase from New Borrowings	6,034	-
Repayment of Bank Borrowings	-	(606)
Finance Lease Repayment	(29)	(69)
Issuance of Shares	2,106	20
Net Cash Flows From/(Used in) Financing Activities	<u>7,879</u>	<u>(936)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	523	(3,685)
Effect of Exchange Rate Changes on Cash and Cash Equivalent	293	(175)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	3,116	6,976
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	<u>3,932</u>	<u>3,116</u>
Represented by:		
Cash and Cash Equivalents	4,952	3,906
Bank Overdraft	<u>(1,020)</u>	<u>(790)</u>
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	<u>3,932</u>	<u>3,116</u>

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
GROUP:						
Previous year:						
Balance as at 1 January 2012	13,174	(77)	9,007	22,104	2,555	24,659
Movements in Equity:						
Total comprehensive (loss)/income for the year	-	(160)	55	(105)	3	(102)
Issuance of share capital	20	-	-	20	-	20
Disposal of Non Controlling Interest without change in control	-	-	134	134	(156)	(22)
Acquisition of Subsidiary	-	-	-	-	59	59
Balance as at 31 December 2012	13,194	(237)	9,196	22,153	2,461	24,614
Current year:						
Balance as at 1 January 2013	13,194	(237)	9,196	22,153	2,461	24,614
Movements in Equity:						
Total comprehensive (loss)/income for the year	-	255	(1,412)	(1,157)	(1,010)	(2,167)
Transfer to statutory reserve	-	-	-	-	-	-
Issuance of share capital	2,106	-	-	2,106	-	2,106
Disposal of Non Controlling Interest	-	-	-	-	(2)	(2)
Acquisition of subsidiaries	-	-	-	-	162	162
Balance as at 31 December 2013	15,300	18	7,784	23,102	1,611	24,713
COMPANY:						
Previous year:						
Balance as at 1 January 2012	13,174	-	10,297	23,471	-	23,471
Movements in Equity:						
Total comprehensive (loss) for the year	-	-	(454)	(454)	-	(454)
Issuance of share capital	20	-	-	20	-	20
Balance as at 31 December 2012	13,194	-	9,843	23,037	-	23,037
Current year:						
Balance as at 1 January 2013	13,194	-	9,843	23,037	-	23,037
Movements in Equity:						
Total comprehensive (loss) for the year	-	-	(2,248)	(2,248)	-	(2,248)
Issuance of share capital	2,106	-	-	2,106	-	2,106
Balance as at 31 December 2013	15,300	-	7,595	22,895	-	22,895

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, 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.

Total number of issued shares excluding treasury shares as at the end of the current financial period are 214,202,036.

Total number of issued shares excluding treasury shares as at the end of the immediately preceding year are 187,876,000.

There were total of 26,326,036 warrants exercised during the financial year, resulting in new 26,326,036 ordinary shares being issued.

There are no warrants outstanding as at the end of the current financial year (31 December 2012: 62,124,000).

There are no treasury shares outstanding as at the end of the current financial year (31 December 2012: 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.

	Number of Shares
As at 1 January 2013	187,876,000
Addition:	
Exercise of Warrants	26,326,036
As at 31 December 2013	214,202,036

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

Not applicable.

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.

The group has applied the same accounting policies and methods of computation in the group's financial statements for the current financial year compared to the audited financial statements as at 31 December 2012 except for the adoption of the applicable new and revised Financial Reporting Standards (FRS) that became effective for the group for the financial year beginning 1 January 2013. The new or revised FRS did not require significant modification of the measurement method or the presentation of the financial information.

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 same accounting policies and methods of computation have been applied.

6. Earnings/(Loss) 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.

	31-Dec-13	31-Dec-12
(i) Based on number of ordinary share in issue	(0.66cents)	0.03cents
(ii) On a fully diluted basis	(0.66cents)	0.03cents

The basic earnings/(loss) per share for the year ended 31 December 2013 was calculated by dividing the group's loss attributable to equity holders of the parents net of tax of \$1,412,000 by the number of weighted average ordinary shares which is 213,196,695.

No dilution in the earnings per share is calculated as there is no warrants outstanding as of 31 December 2013.

The basic earnings/(loss) per share for the year ended 31 December 2012 was calculated by dividing the group's profit attributable to equity holders of the parents net of tax of \$55,000 by the number of weighted average ordinary shares which is 187,676,811.

The dilutive earning/(loss) per share for the year ended 31 December 2012 was calculated by dividing the group's profit attributable to equity holders of the parents net of tax of \$55,000 by the total number of weighted average ordinary shares and the effect of outstanding warrants, which is 214,002,847.

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	
	As at 31-Dec-13	As at 31-Dec-12	As at 31-Dec-13	As at 31-Dec-12
Net asset value per ordinary share based on number of shares in issue at end of period year	10.79 cents	11.79 cents	10.69 cents	12.26 cents

Net asset value per ordinary share is calculated based on 214,202,036 (FY2012: 187,876,000) 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**
- (c) 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 \$3.0 million or 6.0% to \$47.6 million for the full-year ended 31 December 2013 ("FY2013") from \$50.6 million for the full-year ended 31 December 2012 ("FY2012"). This was mainly attributable to the lower sales in Vietnam, Malaysia, Cambodia and Australia. Sales in some other areas saw a decrease but at a lower quantum.

Gross Profit

Gross profit margin reduced by 3 percentage points from 23% to 20%. This was mainly attributable to lower sales recorded in higher margin products segments for FY2013. Total gross profit decreased by \$1.8 million or 16.1% to \$9.6 million in FY2013 from \$11.4 million in FY2012.

Other Items of Income

Other items of income decreased by \$0.6 million or 74.4% to \$0.2 million in FY2013 from \$0.8 million in FY2012 due to a one-time gain in acquisition of businesses, reduction in amount held in interest bearing account, as well as a refund of shortfall in profits guarantee from the vendors of PVT Engineering Sdn Bhd in FY2012.

Marketing and Distribution Costs

Marketing and distribution costs increased by \$0.4 million or 7.5% from \$5.5 million in FY2012 to \$5.9 million in FY2013. This was mainly attributable to an increase in set up costs for new companies in Singapore and Thailand, as well as increase in headcount cost for existing operations in Singapore, Malaysia, and Holland.

Administrative Expenses

Administrative expenses decreased by \$0.2 million or 2.4% to \$5.5 million in FY2013 from \$5.7 million in FY2012, mainly attributable to restructuring exercise in Australia in FY2013.

Finance Costs

Finance costs reduced by \$26,000 or 9.3% from \$281,000 in FY2012 to \$255,000 in FY2013 mainly due to a decrease in trade financing attributable to lower sales.

Other Charges

Other charges increased by \$133,000 to \$443,000 in FY2013, from \$310,000 in FY2012, mainly attributable to loss on disposal of plant and equipment, and increase in allowance for impairment on trade receivables.

Share of Joint Venture Loss After Tax

Share of joint venture loss after tax reduced by \$20,000 to \$40,000 in FY2013, from \$60,000 in FY2012. This was mainly attributable to a reduction in share of losses of joint venture in Thailand in the reporting year.

(Loss)/Profit before Tax from Continuing Operations

The Group recorded a loss before tax of \$2.4 million in FY2013 compared to a profit before tax of \$0.4 million in FY2012. This was mainly attributed to lower revenue and other items of income and higher marketing and distribution costs.

Income Tax Expense

Income tax expense decreased by \$221,000 or 86.0% to \$36,000 in FY2013 from \$257,000 in FY2012, in line with the reduction of profit before tax of the group.

Financial Position

Non-Current Assets

Non-current assets decreased by \$0.6 million from \$13.1 million as at 31 December 2012 to \$12.5 million as at 31 December 2013. This was mainly attributable to depreciation of plant and equipment.

Current Assets

Current assets increased by \$3.9 million from \$32.6 million as at 31 December 2012 to \$36.5 million as at 31 December 2013. The increase was mainly due to the following:

- 1) Increase in other assets by \$0.9 million mainly due to increase in prepayment of goods; and
- 2) Increase in cash and cash equivalents by \$0.8 million. This is mainly attributable to issuance of shares, as well as increased in borrowings,
- 3) An increase in inventories by \$0.7 million from \$7.0 million to \$7.7 million,
- 4) Increase in trade and other receivables by \$1.4 million from \$19.4 million to \$20.8 million

Non-Current Liabilities

Non-current liabilities decreased by \$0.1 million from \$0.4 million as at 31 December 2012 to \$0.3 million as at 31 December 2013, mainly attributable to lower deferred tax liabilities of \$0.1 million.

Current Liabilities

Current liabilities increased by \$3.3 million from \$20.7 million as at 31 December 2012 to \$24.0 million as at 31 December 2013. The increase was mainly attributable an increase in other financial liabilities (current) by \$6.3 million from \$5.0 million to \$11.3 million mainly due to increase in short term borrowings.

The aforementioned was partially offset by the decreased in trade and other payable by \$3.0 million from \$15.0 million to \$12.0 million. The decrease was mainly due to the following:

- 1) Decrease in trade payable by \$3.8 million from \$13.3 million to \$9.5 million, in line with decrease in sales activities,
- 2) Increase in other payables by \$0.8 million from \$1.7 million to \$2.5 million, due to advance payment received from customers.

Statement of Cash Flow

Net cash used in operating activities was \$6.9 million in FY2013. This was mainly attributable to net cash used in working capital of \$6.0 million which were made up from trade and other receivables of \$1.40 million, other assets of \$0.89 million, inventories of \$0.71 million, and trade and other payables of \$3.0 million.

Net cash used in investing activities was \$0.41 million in FY2013, due mainly to purchase of plant and equipment of \$0.55 million and setting up of joint venture during the reporting year.

Net cash from financing activities was \$7.88 million in FY2013, due mainly to increase in bank borrowings of \$6.0 million and issuance of shares of \$2.1 million.

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

The current results are in line with the Company's discussion presented in Note 10 of the unaudited results announcement dated 14 August 2013.

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.

FY 2013 has been a most challenging year faced by the group as it faced reduction on revenue from its past strong sectors (due to slow in progress of water works in Vietnam) and reduction in projects for newwater and waste water sectors as well. Furthermore, new business expansion contribution did not meet expectation due to lower gross profit margin to penetrate new countries and higher operating cost.

Although the group has current order book of \$20 million to be delivered within FY2014, we expect certain markets like Vietnam would still be limited in projects opportunities and new markets would take more time to contribute. However, we expect our valves business to continue to increase its contribution to our bottom-line.

The group has taken steps and efforts to contain manufacturing cost cum close monitoring of operating expenses to improve bottom-line.

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/recommended, a statement to that effect

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

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUCEMENT

13. 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>Consolidated</u>	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000
Revenue												
External sales	17,222	17,603	930	1,809	928	2,803	18,450	11,914	10,032	16,452	47,562	50,581
Result												
Segment result	2,637	3,238	323	478	212	543	3,935	3,115	2,494	4,074	9,601	11,448
Interest income											5	84
Finance costs											(255)	(281)
Unallocated corporate expense											(11,469)	(11,189)
Other charges / (credit)											(227)	384
Share of joint venture profits											(40)	(60)
Profit before income tax											(2,385)	386
Income tax expense											(36)	(257)
Net profit after tax											(2,421)	129
Other information												
Segment assets	6,860	5,990	310	1,103	227	486	6,848	4,731	5,850	4,923	20,095	17,233
Unallocated assets	-	-	-	-	-	-	-	-	-	-	28,923	28,484
Total assets	6,860	5,990	310	1,103	227	486	6,848	4,731	5,850	4,923	49,018	45,717
Segment liabilities											-	-
Unallocated liabilities											24,305	21,103
Total assets											24,305	21,103
Capital expenditure											546	451
Depreciation											864	954
Amortisation											114	160

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: -

	Sales revenue		Carrying amount of segment assets		Additions to property, plant and equipment	
	2013	2012	2013	2012	2013	2012
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	13,106	13,967	20,525	19,046	188	43
Hong Kong	1,753	2,055	1,969	951	5	1
Vietnam	2,757	6,597	-	-	-	-
China	5,329	3,065	10,949	10,631	1	284
Indonesia	693	1,476	756	1,123	1	-
Malaysia	6,011	10,156	7,327	7,586	183	92
Australia	1,632	3,129	2,682	2,965	67	-
Cambodia	-	1,668	-	-	-	-
Brunei	5,858	174	-	-	-	-
Europe	6,659	3,945	4,656	3,415	98	30
Others	3,764	4,349	154	-	3	-
Consolidated	47,562	50,581	49,018	45,717	546	451

14. 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 reduction in Vietnam was mainly attributable to a general slowdown in Vietnam's economy. Decrease in revenue in Malaysia was mainly due to slow down of progress of engineering projects on hand. Decrease in revenue in Cambodia due to completion of project in FY2012. Decrease in revenue in Australia due to restructuring exercise to shift production to China. Increase in revenue in Brunei mainly due to new projects obtained in FY2013. Increase revenue in Europe and China were mainly due to better sales success rates.

15. A breakdown of sales.

	Group		
	2013	2012	%
	S\$'000	S\$'000	Increase / (Decrease)
(a) Sales reported for first half year	19,149	27,074	(29%)
(b) Operating (loss)/profit after tax before deducting non-controlling interest reported for first half year	(2,159)	434	N.M
(c) Sales reported for second half year	28,413	23,507	21%
(d) Operating loss after tax before deducting non-controlling interest reported for second half year	(262)	(305)	(14%)

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

	Group	
	2013	2012
	S\$'000	S\$'000
Ordinary	-	-
Preference	-	-
Total	-	-

17. Interested Parties Transactions

Name of Interested Person	Aggregate value of all interested persons transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested persons transactions conducted under shareholders' mandate pursuant to 920 (excluding transactions less than S\$100,000) S\$'000
Purchase from :		
Duvalco International Pte Ltd	-	227
Wu LLC	-	7
Duvalco Valves & Fittings (Wuxi) Co. Ltd	-	3,451

18. Use of Proceeds

We wish to announce that the proceeds from the exercise of the Warrants of \$2.1 million has been utilized for the working capital of the Group's business, in accordance with the purpose as set out in the Offer Information Statement.

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	66	(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	47	(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	43	(1) Daughter of Richard Koh Chye Heng, Executive Chairman of PAHL. (2) Sister of Koh Eddie, Managing Director cum Chief Executive Officer of PAHL.	Market Development Director from March 2013.	None
Indriati Khoe	47	(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 Goh Boon Kok, Directors of the Company have confirmed that as at 31 December 2013, 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 2014