

**PAN ASIAN HOLDINGS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. : 197902790N)

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**PROPOSED ACQUISITION OF LAND PARCEL AT TUAS SOUTH LINK 3 (PLOT 24, ALSO KNOWN AS MK07-4979N)**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**” or “**Directors**”) of Pan Asian Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the tender submitted by the Company’s wholly-owned subsidiary, Pan Asian Flow Technology Pte. Ltd. (the “**Purchaser**”), for the acquisition of a land parcel at Plot 24 (also known as MK07-4979N), Tuas South Link 3 (the “**Land Parcel**”), at the tender price of S\$2,500,000 (the “**Consideration**”), was duly accepted by the Jurong Town Corporation (“**JTC**”) on 20 July 2017 (the “**Acceptance Date**”) (the “**Proposed Acquisition**”).

**2. DESCRIPTION OF LAND PARCEL**

The Land Parcel has an area of 4,687.5 square metres and a lease tenure of 20 years. The maximum permissible gross plot ratio of the Land Parcel is 1.4 and the zoning is Business 2. The Group intends to develop the Land Parcel for the development of an office cum factory building to house the Group’s local operations, subject to obtaining all the necessary approvals from the relevant authorities.

**3. CONSIDERATION**

The Purchaser had submitted a bid through a public tender at the Consideration, after taking into account and evaluating current market prices of land parcels in the surrounding area.

The Consideration will be satisfied in the following manner:

- (a) a tender deposit of S\$125,000 was paid upon the submission of the tender offer by the Purchaser;
- (b) the Purchaser shall make a further payment of 25% of the Consideration less the aforesaid tender deposit within 28 days of the Acceptance Date; and
- (c) the balance 75% of the Consideration is to be paid within 90 days of the Acceptance Date.

The Consideration is entirely payable by cash, will be funded by both internal funds and external borrowings of the Group.

**4. RATIONALE FOR THE PROPOSED ACQUISITION**

The Proposed Acquisition is in line with the Group’s plan to consolidate its operations in a single location to accommodate its corporate functions and various business units, vis-à-vis the present situation where the Group is occupying separate rented premises for its various business functions. The size of the Property would allow the Group to consolidate all business activities into a centralized location, thus enhancing operational efficiency and allow the Group to re-evaluate its usage of its current premises. The Proposed Acquisition is therefore in the Group’s best interests.

**5. CONDITIONS PRECEDENT**

The Proposed Acquisition is subject to the performance, observation and compliance with the covenants in the tender documents comprising the Conditions of Tender and the Technical Conditions of Tender for the Land Parcel, the Building Agreement, Lease and any supplemental or ancillary documents (the “**Tender Documents**”) as well as any variations, modifications or amendments in writing thereto.

## 6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition as set out below, based on the Group's audited consolidated financial statements for the financial year ended 31 December 2016 ("FY2016"), are purely for illustrative purposes and do not reflect the future financial position of the Company or the Group after the completion of the Proposed Acquisition.

### 6.1 Net Tangible Assets per Share

The effect of the Proposed Acquisition on the net tangible assets ("NTA") per share of the Group for FY2016, assuming that the Proposed Acquisition was completed on 31 December 2016 is as follows:

	Before completion of the Proposed Acquisition	After completion of the Proposed Acquisition
NTA attributable to owners of the Company (S\$'000)	18,071	18,071
Number of issued shares ('000)	214,202	214,202
NTA per share attributable to owners of the Company (Cents)	8.43	8.43

### 6.2 Earnings per Share

Assuming that the Proposed Acquisition had been effected on 1 January 2016, the pro forma effect of the Proposed Acquisition on the Group's earnings per share ("EPS") is as follows:

	Before completion of the Proposed Acquisition	After completion of the Proposed Acquisition <sup>(1)</sup>
Profit after tax attributable to owners of the Company (S\$'000)	656	397
Weighted average number of shares (excluding treasury shares) ('000)	214,202	214,202
EPS (Cents)	0.31	0.19

#### Note:

1. Profit after tax attributable to the owners of the Company after the Proposed Acquisition has been adjusted for depreciation and finance costs associated with the purchase of the Land Parcel over FY2016, assuming that the Proposed Acquisition had been effected on 1 January 2016.

## 7. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

Based on latest announced audited financial statements of the Group for FY2016 the relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006(a) to (e) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist (the "Catalist Rules") are as follows:

<b>Rule 1006 of the Catalyst Rules</b>	<b>Description</b>	<b>Relative figures</b>
<i>Rule 1006(a)</i>	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not Applicable <sup>(1)</sup>
<i>Rule 1006(b)</i>	Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	Not Applicable <sup>(2)</sup>
<i>Rule 1006(c)</i>	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	38.9% <sup>(3)</sup>
<i>Rule 1006(d)</i>	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not Applicable <sup>(4)</sup>
<i>Rule 1006(e)</i>	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not Applicable <sup>(5)</sup>

Notes:

- (1) Not applicable as the Proposed Acquisition is not a disposal.
- (2) Not applicable as there is no net profit attributable the Proposed Acquisition.
- (3) The Consideration of S\$2.50 million represents approximately 38.9% of the Company's market capitalisation of approximately \$6.43 million, computed based on the Company's volume weighted average price of S\$0.03 per share on 20 July 2017 on the Company's issued and paid up capital of 214,202,036 shares as at the date of this announcement.
- (4) No equity securities are being issued by the Company as consideration for the Proposed Acquisition.
- (5) The Company is not a mineral, oil and gas company.

The Board notes that the relative figure computed under Rule 1006(c) of the Catalyst Rules exceeds 5% but not 75%. Accordingly, the Proposed Acquisition constitutes a "Disclosable Transaction" as defined under Chapter 10 of the Catalyst Rules.

## **8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect in the Proposed Acquisition, other than through their respective shareholdings in the Company.

## **9. SERVICE CONTRACTS**

No person will be appointed to the Board, and no service agreement will be entered into by the Company, in connection with the Proposed Acquisition.

## 10. DOCUMENT FOR INSPECTION

The letter of award of the Land Parcel by JTC is available for inspection at 2 Kallang Ave, CT Hub, #05-19, Singapore 339407, during normal business hours for three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Richard Koh Chye Heng  
Executive Chairman  
21 July 2017

*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 Catalyst. 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).*