



PAN ASIAN HOLDINGS LIMITED
百益勝控股有限公司
(Company Registration No.: 197902790N)

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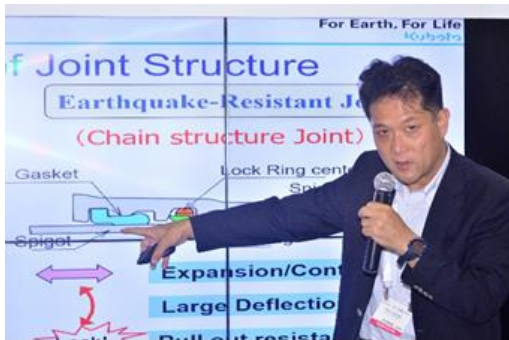
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E-Waste Collection Point

Reached out over 50 employees and their household



Employees Training

Over 200 man hours of In-house and external training to employees



Plant Construction Project

(Feb'18 to 31 Dec'18)
55,840 man hours worked
With **ZERO accidents**

SUSTAINABILITY REPORT FY2018

The Board of Directors (the “Board”) is pleased to present our second Sustainability Report. This report describes the sustainability performance for the period 1 January 2018 to 31 December 2018 (“FY2018”).

This report has been prepared with reference to the Sustainability Reporting Guide in Practice Note 7F of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalyst. This report also draws on the internationally recognised standard of reporting, the Global Reporting Initiative (“GRI”) GRI Standards, which represent the global best practice for reporting on a range of economic, environmental and social impacts.

BOARD STATEMENT

Under the direct guidance of our Board, the management identifies, assesses and determines material Environmental, Social, and Governance (“ESG”) factors. The Board has considered sustainability issues as part of its strategic formulation, determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

This report covers our operations in Singapore, Hong Kong, and China for FY2018.

Pan Asian Holdings Ltd (“Pan Asian Holdings” or the “Company” and together with its subsidiaries, the “Group”) prides itself to be a participant of a greener tomorrow and a socially responsible enterprise.

Guided by our values and principles, we continue to integrate our business activities towards our commitments to the environment, society, and shareholders.

During the year, we had also constructed about 80% of our new building in Tuas South Link. We had emphasised energy savings in our plant’s design and insisted no compromise on worksite safety. We are pleased to report that there were zero accidents at the construction site in FY2018.

Sustainability is a journey of continuous improvements. We are committed to align our operations along this objective. And we are working toward a more complete sustainability report in accordance to the GRI Standards in the coming reporting years.

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ABOUT PAN ASIAN HOLDINGS LIMITED

Founded in 1979, Pan Asian Holdings has grown to be a leading provider of high quality integrated piping solutions for water and wastewater infrastructure projects.

Through close collaboration with strategic partners, Pan Asian Holdings offers customised and cost-effective products and solutions for turnkey projects in the water, wastewater, environmental, marine and oil and gas industries, and its businesses span across various countries in Asia Pacific, Europe and the Middle East.

Leveraging on its technical expertise, R&D capabilities, and over 30 years of industry experience, Pan Asian Holdings is the trusted partner of renowned international brands for the manufacture and supply of piping, valves, couplings, pumps, tanks and related products and equipment. With its in-house fabrication facilities, Pan Asian Holdings is able to customise to the unique requirements of each and every project. Internal audits are carried out regularly to ensure that quality processes comply with ISO requirements.

Listed on Catalist of the SGX since 2004, with its headquarters based in Singapore, Pan Asian Holdings is well-positioned to expand on its operations to address the evolving needs of its target markets, widening its reach and capabilities to serve as a one-stop provider of integrated systems and solutions.

1. MATERIALITY ASSESSMENT

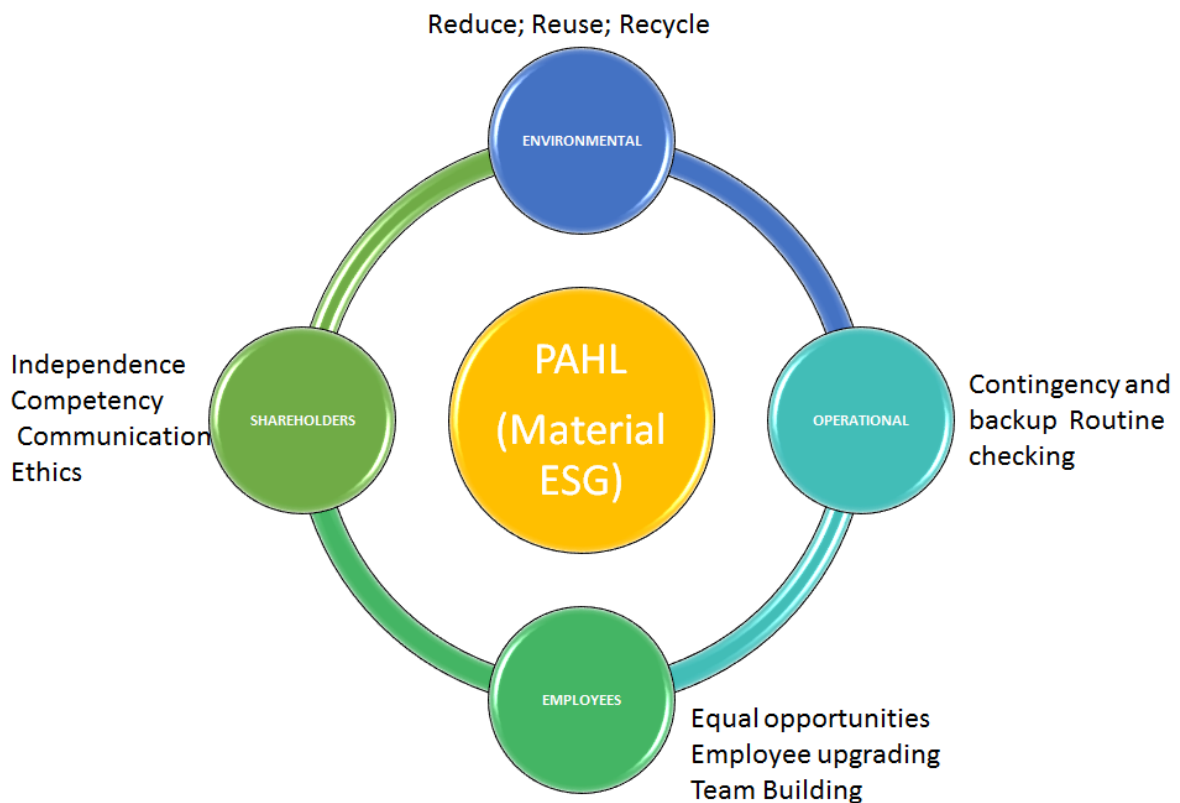
Pan Asian Holdings Limited had set up a Sustainability Committee (the “Committee”), tasked to identify, manage, and monitor relevant ESG factors of the Company’s operations.

The Committee had carried out the materiality assessment based on data and relevant activities for FY2018. Relevant activities being all daily operational activities by the Group’s employees.

ESG factors that are assessed to be material to our business, strategy and various stakeholders had been identified as below.

	ESG factors	Process to monitor and manage
Environment	Energy and waste management	Reduce, reuse, recycle
Social	Employee development and	Equal opportunities hiring

	diversity	Employee upgrading and team building
Governance	Board Shareholders' and Ethics Composition, Engagement Whistle Blowing Policy Dealing in Shares Board Shareholders' and Ethics Composition, Engagement	Board independence and competency Presently being reviewed. Timely disclosure and quality of announcements.
Operational Risk	Procurement Procedures IT Infrastructure	Routine assessment and review by ISO Consultants Data backup via data center and routing upgrade by external professional IT firm



2. ENVIRONMENT

Energy and Waste Management

In as much possible, Pan Asian Holdings Ltd and its group of companies conduct their business operations in a manner that respect the environment, and to enable the sustainability of the environment.

In FY2018, the Group had implemented E-Waste Collection points in all operational units. Staffs were encouraged to dispose of households' used batteries and unwanted electronic parts through the collection point.

Except for bulky items and waste that require specific treatment, all e-wastes would typically be disposed off through recycling bins.



Energy savings has always been our key consideration in all purchases of electrical appliances and components. We also extend the life of equipment wherever possible through refurbishment and reuse in hope to reduce wastage which harms the environment.

Part of daily activities that are in line with this commitment include:-

- Waste and scrap electronics equipment are sent for recycling
- Use of recycled paper and encouraging a paperless working environment.
- Switching off of lighting, air conditioner when not in use
- Encouraging of the use of public transport and car-pooling amongst employees

The Group's initiatives to reduce its carbon footprint by way of reducing consumption of resources, re-use, and re-cycle whenever possible had produced qualitative results. It is now the habit of most employees to recycle offices' stationary and to switch of lights and air conditional units during lunch time.

Our records maintained have revealed that the average electricity consumption level in our offices in Singapore and Hong Kong is approximately 1,564 kWh per person in FY2018. Notwithstanding that the electricity consumption level of the Group is anticipated to change with the expected move in the Company's office in FY2019, the Group will endeavour to continuously monitor our electricity consumption levels. We aim to reduce our

electricity consumption for the financial year ended 31 December 2019 (“FY2019”) by encouraging our employees to adopt electricity-saving habits. We also aim to introduce an energy-savings mindset in our newcomers’ orientation in FY2019, as a guide the newcomers’ daily conduct in their energy consumption habits.

3. SOCIAL

Employee Diversity

Pan Asian Holdings aims to build a learning workforce of various backgrounds, and to draw upon a wide range of skills and experience to meet the challenging needs of the business environment that it operates in.

All hiring, training, compensation, career progressions opportunities, terminations and recreational events, are conducted without discrimination, based on merits and unhampered by artificial barriers, prejudices or preferences.

The table below illustrates the breakdown of the employees of the Group in terms of gender and age:-

GROUP DIVERSITY AND EMPLOYEE REPRESENTATIVE *		
GROUP	NUMBER	PERCENTAGE
GENDER		
MALE	38	62%
FEMALE	23	38%
AGE DIVERSITY		
Under 30	8	13%
30 - 50	42	69%
Over 50	11	18%

Other than a well-diversified workforce in terms of age and gender, the Group has a diversified workforce consisting of employees coming from different countries such as China, Malaysia, Indonesia, and Philippines.

Employee Development

Employee development is important and the Group recognises that regular performance reviews and training is essential in maintaining and/or improving our employees’ motivation and job satisfaction.

We conduct regular in-house training as well as external training to all employees, in addition to training by accredited institutions or organisation, where possible. Typical in-house training include products knowledge, whereas external training were mostly related to professional skills.

In FY2018, we had conducted over 200 man hours of both in-house and external training program to employees and external parties as a form of contribution and imparting of our know-how to fellow industry members. We aim to gradually increase the number of training hours conducted per financial year by 50% from FY2018 in the next 5 years.



Work Environment

Teamwork and a harmonious working environment plays an important part in fostering the Company's culture. The Group targets to conduct team building activities twice a year to enhance the relationships amongst employees.



Yearly Gaming & Team Building Event

4. GOVERNANCE

Board Composition, Shareholders' Engagement and Ethics

Commitment to our shareholders has always been a priority.

The Board comprise of five directors, of whom, two are executive directors, one non-independent non-executive director and two are independent non-executive directors. The Board's combined expertise include finance, accounting, legal, business and industry specialties.

With majority of Board members comprising of Non-Executive directors, the Board is able to exercise objective judgment independently from management.

The Group actively keep shareholders informed with the latest performance, strategic and corporate developments. The Group has engaged with shareholders openly and actively during annual general meetings has been the yearly practice of the Group. The Group targets to continue to be transparent and timely in its communications to its shareholders, by improving its quality of disclosures and timeliness of its announcements released on the SGXNET.

We are in compliance with the Code of Corporate Governance 2012 in particular with respect of our Board composition as well as shareholders communication for FY2018. Please refer to our annual report for FY2018.

We aim to be compliant with the revised Code of Corporate Governance 2018 in FY2019, and to provide explanations for any deviations from any of the provisions, where applicable.

Whistle Blowing Policy

As at the date of this report, the Company is revising its existing whistle-blowing framework, to be endorsed by the Audit Committee (“AC”), where employees of the Company may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters. The AC, upon receipt of complaints or allegations from any employee, determines if an investigation is necessary. If an investigation should be carried out, it will direct an independent investigation to be conducted on the complaint received. The AC and the Board will receive a report on that complaint and findings of investigation, as well as a follow-up report on actions taken. The objective for such arrangement is to ensure independent investigations of such matters and for appropriate follow-up actions.

Upon finalisation, the policy will be disclosed on the company’s website.

The Company did not receive any whistle-blowing reports in FY2018.

Dealing in Shares

The Company has set out guidelines to the Directors and officers of the Group in relation to dealings in the Company’s securities. These guidelines prohibit the Company and its officers from dealing in the listed securities of the Group while in possession of material or price sensitive information and during the period one month before the announcement of the Company’s half-year and full-year financial results and ending on the date of announcement of the relevant financial results. The Company, its Directors and officers are also advised not to deal in the Company’s securities on short-term consideration.

The Company, Directors and officers of the Company are also advised to observe insider trading laws at all times even when dealing in the Company’s securities within the permitted trading period.

All Directors are also provided with proper guidance on disclosure of interests in securities, restrictions on disclosure of price sensitive information and disclosure of interests relating to the Group’s businesses.

5. OPERATIONAL RISK

Procurement Procedures

Our supply chain’s operation is guided by ISO standards, with guidelines on selection and evaluation of suppliers. As well as diversification of suppliers to ensure cost effectiveness and minimising risk of operational disruption. These

activities are routinely assessed and approved by independent ISO consultants on a yearly basis.

IT Infrastructure

The Group's IT maintenance is outsourced to professional contractors with extensive track record and sufficient resources.

Routine IT maintenance include system reliability, server backup in data center, and prevention of data leaking and losses. There had not been major IT issues faced by the Group in FY2018 such as the loss of data and cyberattacks and in the prior years. We will continue to conduct regular IT maintenance in FY2019 and we target to maintain our record of having no major IT issues faced in FY2019.

***** END *****