

PAN ASIAN HOLDINGS LIMITED
(Company registration number: 197902790N)

**UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2016**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited ("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 assumes 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.

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PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	(Unaudited) Year Ended 31-Dec-16 S\$'000	(Audited) Year Ended 31-Dec-15 S\$'000	Increase/ (Decrease) %
Revenue	37,806	44,744	(15.5)
Cost of sales	(28,602)	(34,786)	(17.8)
Gross profit	<u>9,204</u>	<u>9,958</u>	(7.6)
Interest income	7	-	NM
Other gains	643	5,521	(88.4)
Marketing and distribution costs	(4,436)	(4,769)	(7.0)
Administrative expenses	(4,247)	(4,475)	(5.1)
Finance costs	(121)	(257)	(52.9)
Other losses	(296)	(5,505)	(94.6)
Share of (loss)/profit from equity-accounted joint ventures	(163)	98	NM
Profit before tax	<u>591</u>	<u>571</u>	3.5
Income tax (expenses)/credit	(289)	6	NM
Profit net of tax	<u><u>302</u></u>	<u><u>577</u></u>	(47.7)
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- (Loss)/gains	(147)	255	NM
-Reclassification to profit or loss arising from disposal of subsidiaries	-	31	NM
Other comprehensive (loss)/income for the year, net of tax	(147)	286	NM
Total comprehensive income	<u><u>155</u></u>	<u><u>863</u></u>	(82.0)
Profit attributable to owners of the parent, net of tax	256	656	(61.0)
Profit/(loss) attributable to non-controlling interests, net of tax	46	(79)	NM
Profit net of tax	<u><u>302</u></u>	<u><u>577</u></u>	(47.7)
Total comprehensive income attributable to owners of the parent	133	928	(85.7)
Total comprehensive income/(loss) attributable to non-controlling interests	22	(65)	NM
Total comprehensive income	<u><u>155</u></u>	<u><u>863</u></u>	(82.0)

NM - Not Meaningful

Notes to Consolidated Statement of Comprehensive Income

	(Unaudited) Year Ended 31-Dec-16 S\$'000	(Audited) Year Ended 31-Dec-15 S\$'000	Increase/ (Decrease) %
<u>Revenue</u>			
Sale of goods	37,513	44,397	(15.5)
Rental income	-	75	NM
Commission income	122	33	NM
Other income	171	239	(28.5)
	37,806	44,744	(15.5)
Interest income	7	-	NM
<u>Depreciation expense</u>			
Cost of sales	(50)	(118)	(57.6)
Marketing and distribution costs	(150)	(157)	(4.5)
Administrative expenses	(349)	(392)	(11.0)
	(549)	(667)	(17.7)
<u>Other gains</u>			
Gains on disposal of property, plant and equipment, net	39	5,043	(99.2)
Gains on disposal of subsidiaries, net	-	430	NM
Government grant	126	16	NM
Sundry income	118	32	NM
Write back of allowance for inventories	274	-	NM
Foreign exchange adjustment gains	86	-	NM
	643	5,521	(88.4)
<u>Finance costs</u>			
Interest expense	(121)	(257)	(52.9)
<u>Other losses</u>			
Loss on disposal of investment, net	(42)	-	NM
Bad trade debts written off	(23)	(2)	NM
Net allowance for impairment on receivables	(166)	(2,066)	(92.0)
Allowance for impairment on other asset, current	-	(431)	NM
Allowance for impairment on other assets, non current	-	(25)	NM
Inventories written down	-	(551)	NM
Inventories written off	-	(216)	NM
Impairment loss on goodwill	-	(347)	NM
Impairment loss on land use rights	-	(1,300)	NM
Impairment loss on investment in joint ventures	(5)	-	NM
Impairment on plant and equipment	-	(348)	NM
Amortisation of land use rights	(60)	(63)	(4.8)
Foreign exchange adjustment losses	-	(156)	NM
	(296)	(5,505)	(94.6)

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.

	(Unaudited) <u>Group</u> <u>31-Dec-16</u> <u>S\$'000</u>	(Audited) <u>Group</u> <u>31-Dec-15</u> <u>S\$'000</u>	(Unaudited) <u>Company</u> <u>31-Dec-16</u> <u>S\$'000</u>	(Audited) <u>Company</u> <u>31-Dec-15</u> <u>S\$'000</u>
ASSETS				
<u>Non-current assets</u>				
Property, plant and equipment	5,917	6,353	4,598	4,728
Investments in subsidiaries	-	-	4,245	6,054
Investments in joint ventures	171	340	100	105
Land use rights	1,357	1,471	-	-
Other assets, non-current	78	78	78	78
Deferred tax assets	-	151	-	-
Total non-current assets	<u>7,523</u>	<u>8,393</u>	<u>9,021</u>	<u>10,965</u>
<u>Current assets</u>				
Asset held for sale under FRS 105	-	120	-	120
Inventories	4,745	4,979	620	1,522
Trade and other receivables	15,858	15,836	10,533	12,534
Other assets, current	936	1,865	110	228
Cash and cash equivalents	4,822	4,309	1,634	2,377
Total current assets	<u>26,361</u>	<u>27,109</u>	<u>12,897</u>	<u>16,781</u>
Total assets	<u>33,884</u>	<u>35,502</u>	<u>21,918</u>	<u>27,746</u>
EQUITY AND LIABILITIES				
<u>Equity attributable to owner of the parent</u>				
Share capital	15,300	15,300	15,300	15,300
Other reserves	217	340	-	-
Retained earnings	1,556	2,371	257	2,505
Equity, attributable to owners of the parent	<u>17,073</u>	<u>18,011</u>	<u>15,557</u>	<u>17,805</u>
Non-controlling interests	<u>963</u>	<u>941</u>	<u>-</u>	<u>-</u>
Total equity	<u>18,036</u>	<u>18,952</u>	<u>15,557</u>	<u>17,805</u>
<u>Non-current liabilities</u>				
Deferred tax liabilities	53	81	33	81
Finance leases, non-current	81	145	81	145
Total non-current liabilities	<u>134</u>	<u>226</u>	<u>114</u>	<u>226</u>
<u>Current liabilities</u>				
Income tax payable	51	222	-	-
Other financial liabilities, current	1,760	1,755	1,760	1,107
Finance leases, current	46	77	46	77
Trade and other payables, current	13,857	14,270	4,441	8,531
Total current liabilities	<u>15,714</u>	<u>16,324</u>	<u>6,247</u>	<u>9,715</u>
Total liabilities	<u>15,848</u>	<u>16,550</u>	<u>6,361</u>	<u>9,941</u>
Total equity and liabilities	<u>33,884</u>	<u>35,502</u>	<u>21,918</u>	<u>27,746</u>

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

(A) the amount repayable in one year or less, or on demand;

31-Dec-16		31-Dec-15	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,806	-	1,832	-

(B) the amount repayable after one year;

31-Dec-16		31-Dec-15	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
81	-	145	-

(C) whether the amounts are secured or unsecured

The group's bank borrowing and debt securities of S\$1,760,000 as at 31 December 2016 (31 December 2015: S\$1,755,000) were secured / covered by:

- A negative pledge over the assets of the Company
- Corporate guarantees from the Company

(D) details of any collaterals

The obligations under finance lease of S\$127,000 as at 31 December 2016 (31 December 2015: S\$222,000) are secured by a charge over the leased assets and a personal guarantee from a director of the Company.

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

	(Unaudited) Group Year ended 31-Dec-16 S\$'000	(Audited) Group Year ended 31-Dec-15 S\$'000
Cash flows from operating activities		
Profit before tax	591	571
Adjustments for:		
Amortisation of land use rights	60	63
Depreciation of property, plant and equipment	549	667
Impairment loss on goodwill	-	347
(Writeback)/impairment loss on land use rights	-	1,300
Impairment of property, plant and equipment	-	348
Interest income	(7)	-
Interest expense	121	257
Gains on disposal of subsidiaries, net	-	(430)
Gains on disposal of property, plant and equipment, net	(39)	(5,043)
Share of loss/(profit) from equity-accounted joint ventures	163	(98)
Impairment loss on investment in joint ventures	5	-
Operating cash flow before changes in working capital	1,443	(2,018)
Trade and other receivables	(22)	(4,303)
Other assets	929	757
Inventories	234	1,827
Trade and other payables	(410)	6,552
Net cash flows from operations	2,174	2,815
Income taxes paid	(337)	(234)
Net cash flows from operating activities	1,837	2,581
Cash flows from investing activities		
Acquisition of non-controlling interest of subsidiary	-	(65)
Disposal of subsidiaries (net of cash disposed)	-	1,109
Interest received	7	-
Proceeds from disposal of property, plant and equipment	256	8,027
Purchase of property, plant and equipment	(392)	(4,456)
Proceeds from investment held for disposal	120	-
Net cash flows (used in) from investing activities	(9)	4,615
Cash flows from financing activities		
Finance lease repayment	(145)	(83)
Interest paid	(121)	(257)
Dividend paid on ordinary shares	(1,071)	-
Proceeds/(repayment) of bank borrowings	5	(4,646)
Net cash flows used in financing activities	(1,332)	(4,986)
Net increase in cash and cash equivalents	496	2,210
Effect of exchange rate changes on cash and cash equivalent	17	318
Cash and cash equivalents, statement of cash flows, beginning balance	4,309	1,781
Cash and cash equivalents, statement of cash flows, ending balance	4,822	4,309
Represented by:		
Cash and cash equivalents	4,822	4,309
Bank overdraft	-	-
Cash and cash equivalents, statement of cash flows, ending balance	4,822	4,309

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:						
Current year (Unaudited):						
Balance as at 1 January 2016	15,300	340	2,371	18,011	941	18,952
Movements in equity:						
Total comprehensive income (loss) for the year	-	(123)	256	133	22	155
Dividends on ordinary shares	-	-	(1,071)	(1,071)	-	(1,071)
Balance as at 31 December 2016	15,300	217	1,556	17,073	963	18,036
Previous year (Audited):						
Balance as at 1 January 2015	15,300	47	1,853	17,200	1,185	18,385
Movements in equity:						
Total comprehensive income (loss) for the year	-	272	656	928	(65)	863
Transfer to statutory reserve	-	21	(21)	-	-	-
Acquisition of non-controlling interest without a change in control	-	-	(117)	(117)	40	(77)
Disposal of subsidiary with a change in control	-	-	-	-	(219)	(219)
Balance as at 31 December 2015	15,300	340	2,371	18,011	941	18,952
COMPANY:						
Current year (Unaudited):						
Balance as at 1 January 2016	15,300	-	2,505	17,805	-	17,805
Movements in equity:						
Total comprehensive loss for the year	-	-	(1,177)	(1,177)	-	(1,177)
Dividends on ordinary shares	-	-	(1,071)	(1,071)	-	(1,071)
Balance as at 31 December 2016	15,300	-	257	15,557	-	15,557
Previous year (Audited):						
Balance as at 1 January 2015	15,300	-	3,709	19,009	-	19,009
Movements in equity:						
Total comprehensive loss for the year	-	-	(1,204)	(1,204)	-	(1,204)
Balance as at 31 December 2015	15,300	-	2,505	17,805	-	17,805

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.

There is no change in the Company's share capital from 30 June 2016 to 31 December 2016. The Company's share capital as at 30 June 2016 and 31 December 2016 remained at S\$15,300,000 and comprised 214,202,036 shares.

There were no convertibles and treasury shares outstanding as at the end of the financial year.
(As at 31 December 2015: 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.

	2016	2015
Balance as at 31 December	<u>214,202,036</u>	<u>214,202,036</u>

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. The Company did not have any treasury shares during and as at the end of the current financial year reported on.

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.

Save as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial year as compared to the audited financial statements for the financial year ended 31 December 2015.

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 Group has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2016.

Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of the new and revised FRS and INT FRS did not result in substantial changes to the Group's accounting policies and has no material effect on the financial results reported for the current or prior reporting periods.

6. **Earnings 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.**

Earnings per ordinary share attributable to the shareholders of the Company	Group	
	31-Dec-16	31-Dec-15
(i) Based on weighted average number of ordinary share in issue (Singapore cents)	0.12	0.31
Weighted average number of ordinary shares in issue	214,202,036	214,202,036
(ii) On a fully diluted basis (Singapore cents)	0.12	0.31
Diluted weighted average number of ordinary shares in issue	214,202,036	214,202,036

Basic and diluted earnings per share were the same as there were no potentially dilutive securities in issue as at 31 December 2016 and 31 December 2015.

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	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
Net asset value per ordinary share based on issued share capital (Singapore cents)	7.97	8.41	7.26	8.31

Net asset value per ordinary share is calculated based on 214,202,036 (FY2015: 214,202,036) 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
- (b) 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

Overall, the Group recorded a profit before tax of S\$0.6 million in FY2016, which is a slight increase from FY2015. This is largely attributable to the decrease in expenses and other losses incurred/recognised offset by the decrease in other income and share of loss recognised for the joint ventures.

Revenue

The Group's revenue decreased by \$6.9 million or 15.5% to S\$37.8 million for the year ended 31 December 2016 ("FY2016"). This was mainly attributable to the decrease in revenue from the Singapore entities (S\$5.8 million), Europe entity (S\$2.5 million) and Australia entity (S\$1.3 million), partially offset by an increase in revenue from China entities (S\$0.5 million) and Hong Kong entity (S\$2.3 million).

Gross Profit

Gross profit margin remained relatively constant despite the decrease in gross profit which is in line with the lower revenue.

Other gains

Decrease in other gains is largely attributable to the decrease in gains on disposal of property, plant and equipment. In FY2015 the Group recorded a S\$5.0 million gain largely due to the disposal of its old premises in Singapore. This decrease is offset by the write back of allowance for inventories as a result of management's re-assessment arising from subsequent sales.

Marketing and Distribution Costs

Marketing and distribution costs decreased by S\$0.4 million or 7.0% from S\$4.8 million to S\$4.4 million in FY2016. This is mainly attributable to the reduction in payroll expenses of \$0.5 million as a result of the decrease in headcount in the Australia and Singapore entities, offset by the increase in sales incentives incurred for Singapore and Hong Kong as a result of the increased sales.

Administrative Expenses

Administrative expenses decreased by S\$0.2 million or 5.1% to S\$4.2 million in FY2016. This is largely aided by the decrease in property tax incurred of S\$0.1 million as a result of the move for the Singapore operations.

Finance costs

Finance costs decreased from S\$0.3 million to S\$0.1 million. This is mainly due to the decrease usage of trade facilities and short term loans during the year which is in line with the reduction in revenue, as well as improvement in cash position subsequent to disposal of its old Singapore premises.

Other losses

Other losses decreased by S\$5.2 million largely due to the reduction in allowance for impairment on receivables, land use rights, inventories and plant and equipment. These have reduced as a result of management's assessment arising from an absence of impairment indicators.

Share of (loss)/profit from equity-accounted joint ventures

Overall, the joint ventures entities contributed a loss of S\$0.2 million in FY2016 vis-à-vis a profit of S\$0.1 million recognized in FY2015, due to challenging market conditions.

Income Tax Expense

Income tax expense increased by S\$0.3 million, which is in line with the increased taxable profit of the Group.

Profit after Tax

As a result of the above, the Group recorded a profit after tax of S\$0.3 million in FY2016, which is a decrease of 47.7% from FY2015.

Financial Position

Non-Current Assets

Non-current assets decreased by S\$0.9 million from \$8.4 million as at 31 December 2015 to S\$7.5 million as at 31 December 2016. This was mainly attributable to the following:

- (1) depreciation of plant and equipment of S\$0.5 million, offset by net addition of S\$0.1 million;
- (2) decrease in deferred tax assets of S\$0.2 million due to reassessment of tax position; and
- (3) decrease in investment in joint ventures as a result of share of loss contributed by joint ventures.

Current Assets

Current assets decreased by S\$0.7 million from S\$27.1 million as at 31 December 2015 to S\$26.4 million as at 31 December 2016. The decrease was mainly due to the following:

- (1) Decrease in other assets, current by S\$0.9 million due to the decrease in prepayment largely arising from the conclusion of the arbitration with Tongzhou as the Group has collected the amount of RMB 4.8 million before year end;
- (2) Decrease in asset held for sale is due to completion of disposal on 1 April 2016.
- (3) Decrease in inventories of S\$0.2 million; offset by
- (4) Increase in cash and cash equivalents of S\$0.5 million.

Current Liabilities

Current liabilities decreased by S\$0.6 million from S\$16.3 million as at 31 December 2015 to S\$15.7 million as at 31 December 2016. This was mainly due to a decrease in trade and other payables by S\$0.3 million.

Trade payable – related parties decreased by S\$0.7 million due to repayment of trade payables, offset by the increase in advance deposit received from customers of S\$0.5 million.

Statement of Cash Flow

Overall, the Group recorded a net increase in cash and cash equivalents of S\$0.5 million. This is mainly attributable to the cash flow from operating activities of S\$1.8 million, offset by the cash flow used in investing activities and financing activities of S\$9,000 and S\$1.3 million respectively.

Operating activities recorded a net cash inflow mainly due to the profit recorded for the year, aided by the cash inflow generated from other assets and inventories of S\$0.9 million and S\$0.2 million respectively. This is offset by the cash outflow generated from trade and other payables due to repayment.

Investing activities recorded a net cash outflow mainly due to the cash outflow incurred for the purchase of property, plant and equipment, offset by the cash received for the disposal of PVT Engineering Sdn Bhd and GLS Tank Sdn Bhd, proceeds from the disposal of property, plant and equipment.

Financing activities recorded a net cash outflow mainly due to the dividends paid during the year.

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

Not applicable. No forecast or prospect statements have been previously disclosed to shareholders.

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.

The industry in which the Group operates in remains competitive and challenging. The Group will continue to take steps to closely monitor the operating costs so as to improve the bottom line.

As at end January 2017, our order book stands at S\$15.1 million.

The Group is continuously sourcing for opportunities to streamline and facilitate efficient deployment of the Group's resources.

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?

Name of dividend	:	First and final
Dividend type	:	Cash dividend
Amount	:	0.5 Singapore cents per ordinary share
Tax rate	:	One-tier tax-exempt

(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 year reported on.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under [Rule 920\(1\)\(a\)\(ii\)](#). If no IPT mandate has been obtained, a statement to that effect.

	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 Rule 920 (excluding transactions less than S\$100,000) S\$'000
Royalty payable to Duvalco International Pte Ltd	-	161
Purchases from Duvalco Valves & Fittings (Wuxi) Co. Ltd	-	1,330

Save for the above, there was no interested party transaction that is S\$100,000 and above during the financial year in review.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUCEMENT

14. 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>Unallocated</u>		<u>Consolidated</u>	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Revenue														
External sales	22,611	18,802	29	2,267	1,278	4,771	7,908	14,359	5,980	4,545	-	-	37,806	44,744
Result														
Segment result	5,941	4,667	12	545	273	526	1,004	2,913	1,974	1,307	-	-	9,204	9,958
Interest income											-	7	-	7
Finance costs											-	(121)	(257)	(121)
Amortisation of land use rights									(60)	(63)	-	-	(60)	(63)
Depreciation of property, plant and equipment											-	(549)	(667)	(549)
Employee benefits expenses												(5,326)	(5,634)	(5,326)
Unallocated corporate expense											-	(2,519)	(2,895)	(2,519)
Other credits (changes), net											-	118	31	118
Share of (loss)/profit from equity-accounted joint ventures											-	(163)	98	(163)
Profit before income tax													591	571
Income tax (expense)/credit													(289)	6
Net profit after tax													302	577

<u>Business Segments</u>	<u>Portable Water</u>		<u>Waste Water</u>		<u>NeWater</u>		<u>Valves</u>		<u>Others</u>		<u>Unallocated</u>		<u>Consolidated</u>	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Other information														
Trade and other receivables	10,687	7,075	3	3,147	294	201	3,162	3,499	1,712	1,914	-	-	15,858	15,836
Property, plant and equipment											-	5,917	6,353	6,353
Cash and cash equivalents											-	4,822	4,309	4,309
Asset held for sale under FRS 105											-	-	-	120
Others											-	7,287	8,884	8,884
Total assets													<u>33,884</u>	<u>35,502</u>
Segment liabilities														
Trade and other payables											-	13,857	14,270	14,270
Other financial liabilities											-	1,887	1,977	1,977
Others											-	104	303	303
Total liabilities													<u>15,848</u>	<u>16,550</u>
Capital expenditure											-	392	4,456	4,456

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:-

	<u>Sales revenue</u>		<u>Carrying amount of segment assets</u>		<u>Additions to property, plant and equipment</u>	
	2016	2015	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	17,101	16,267	17,937	19,107	334	4,303
Hong Kong	7,486	5,803	4,625	3,780	2	3
Vietnam	163	126	-	-	-	-
China	7,883	5,891	9,096	8,925	25	88
Indonesia	-	52	603	576	-	-
Malaysia	45	360	-	-	-	2
Australia	69	1,346	82	433	-	-
Japan	2,560	6,911	-	-	-	-
Brunei	300	2,111	-	-	-	-
Europe	2,012	4,464	1,539	2,617	31	60
Others	187	1,413	2	64	-	-
Consolidated	37,806	44,744	33,884	35,502	392	4,456

15. In the review of performance, the factors leading to any material change in contributions to turnover and earnings by the business or geographical segments.

The decrease in revenue largely came from the Japan market (S\$4.4 million), Brunei market (S\$1.8 million), Europe market (S\$2.5 million) and Australia market (S\$1.3 million), offset by the increase from Singapore market (S\$0.8 million), Hong Kong market (S\$1.7 million) and China market (S\$2.0 million).

Japan market in particular saw a decrease due to the completion of a once off project that the Group undertook with a Japanese customer in 2015 relating to Portable water.

Segment assets decreased by S\$1.6 million due to the decrease in assets carried in Singapore (S\$1.2 million), Australia (S\$0.4 million) and Europe (S\$1.1 million), offset by the increase in assets carried in China (S\$0.2 million) and Hong Kong (S\$0.8 million)

Assets carried in Singapore decreased largely due to the reduction in cash and cash equivalents. Assets carried in Europe decreased largely due to the reduction in receivables. Assets carried in China increased largely due to the increase in inventory and receivables, offset by the decrease in other assets as a result of the collection of funds from Tongzhou.

Additions to property, plant and equipment for Singapore decreased by S\$4.1 million as Singapore recorded a purchase of the properties at 2 Kallang Avenue in FY2015.

16. A breakdown of sales

S\$'000	Group		Increase/(Decrease)
	31-Dec-16	31-Dec-15	
(a) Sales reported for first half year	18,234	20,848	(12.5%)
(b) Operating profit (loss) after tax before deducting minority interests reported for first half year	417	48	NM
(c) Sales reported for second half year	19,572	23,896	(18.10%)
(d) Operating profit (loss) after tax before deducting minority interests reported for second half year	(115)	529	NM

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

S\$'000	Group	
	31-Dec-16	31-Dec-15*
Ordinary	-	1,071
Preference	-	-
Total	-	1,071

18. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

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	70	(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	50	(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 Mee Lin	46	(1) Daughter of Richard Koh Chye Heng, Executive Chairman of PAHL. (2) Sister of Koh Eddie, Managing Director cum Chief Executive Officer of PAHL.	Sales and Marketing Director with effect from 1 August 2015. Responsible for sales and marketing of the piping, valves, tanks and other associated products for application in water and waste utility, infrastructure development, cooling water application and industrial application.	None
Indriati Khoe	50	(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, whom are Directors of the Company have confirmed that as at 31 December 2016, 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 2017