

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

# **Pan Asian Holdings Limited Sustainability Report for FY2017**

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## **1. BOARD MESSAGE ON SUSTAINABILITY REPORT**

The Board of Directors is pleased to present our first Sustainability Report.

Under the direct guidance of our Board of Directors (the “Board”), the management identifies, assesses and determines material Environmental, Social, and Governance (“ESG”) factors. The Board had approved the material ESG factors and have overseen the management and monitoring of the material ESG factors.

Feedback and contact person :

Name : Chew Khong Yuen  
Email : [khongyuen.chew@panasian.com.sg](mailto:khongyuen.chew@panasian.com.sg)  
Tel : 65 6268 7227

This report covers data and relevant activities for the financial year ended 31 December 2017 (FY2017).

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

The Committee comprises of the CEO and the CFO and will include more members as we refine the Report and monitoring and reporting process. The Committee reports to the Board .

We have prepared the Sustainability Report adopting the guidelines of the Global Reporting Initiative (GRI), which is a widely adopted framework, generally applicable among other comparable listed companies.

We will periodically review our sustainability strategy, re-evaluate our material ESG factors and refine our processes to monitor and manage such material ESG factors in term of their relevance to our stakeholders and to ensure compliance with Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist.

## **2. 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.

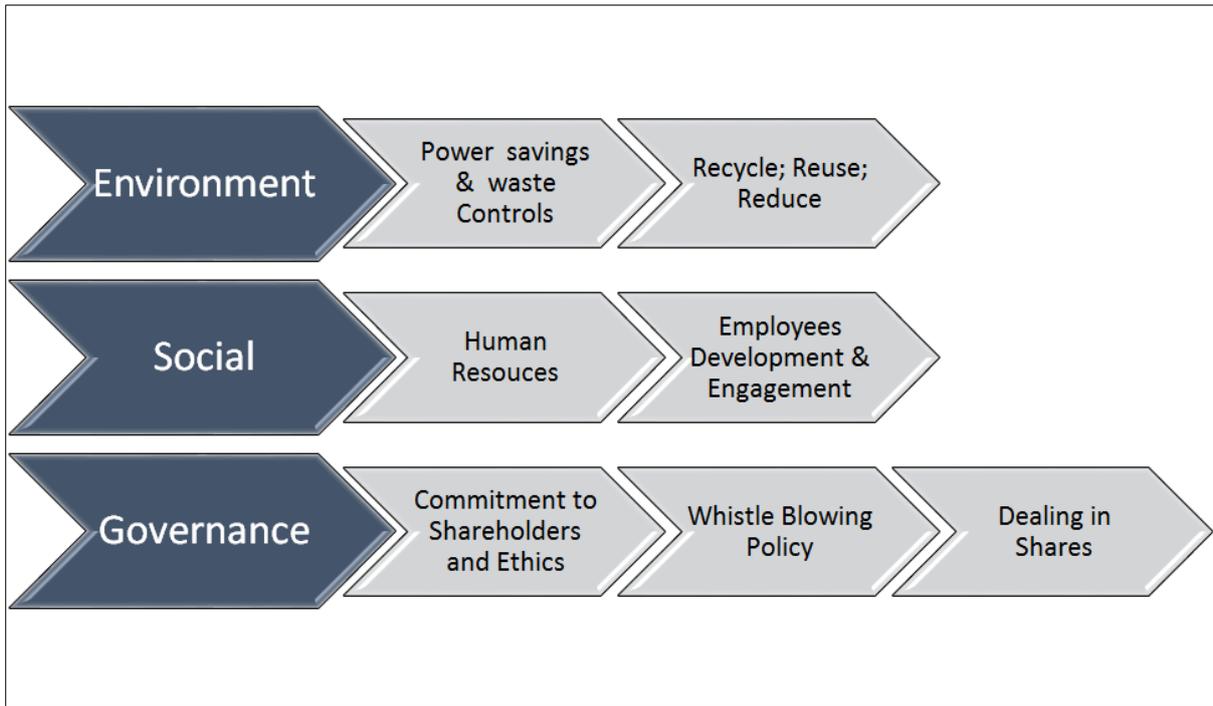
Listed on Catalist of the SGX since 2004, with its headquarters based in Singapore, Pan Asian Holdings is well-positioned to expand on its operations to address the evolving needs of its target markets, widening its reach and capabilities to serve as a one-stop provider of integrated systems and solutions.

### 3. MATERIALITY ASSESSMENT

The Committee had carried out the materiality assessment from data and relevant activities for the financial year ended 31 December 2017 (“FY2017”).

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

	<b>ESG factors</b>	<b>Process to monitor and manage</b>
<b>Environment</b>	Energy and waste management	Reduce, reuse, recycle
<b>Social</b>	Workforce diversity Human resource	Equal opportunities hiring Employee upgrading and team building
<b>Governance</b>	Board performance Shareholders communication	Board independence and competency Communication channels and Ethics



#### 4. ENVIRONMENT

##### Energy and Waste Management

In as much possible, we conduct our business operations in a manner that respect the environment, and to enable the sustainability of the environment.

The Group had in FY2017, embarked on initiatives to reduce its carbon footprint by way of reducing consumption of resources, re-use, and re-cycle whenever possible.

We aim to track our consumption of electricity starting from FY2018 and aim to reduce consumption by constantly imposing awareness among the employees.

Energy saving has always been our key considerations in all purchases of electrical appliances and components, in addition to economy feasibility.

Refurbishment and reuse of equipment to prolong its useful life with minimal additional environmental cost has been the preferred approach for a sustainable solution. We extend the life of equipment wherever possible.

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

- Waste and scrap electronics equipment to be sent to recycling company
- 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 among co-workers

## 5. SOCIAL

### Employee Development and 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 business environment.

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.

<b>GROUP DIVERSITY AND EMPLOYEE REPRESENTATIVE *</b>		
<b>GROUP</b>	<b>NUMBER</b>	<b>PERCENTAGE</b>
<b>GENDER</b>		
MALE	12	39%
FEMALE	19	61%
<b>AGE DIVERSITY</b>		
Under 30	5	16%
30 - 50	17	55%
Over 50	9	29%

*\* Singapore Offices*

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 is important and the Company recognises that regular performance reviews and training help keep staff motivated and the Company successful.

We conduct regular in house training to all employees, in addition to training by accredited institutions or organisation, where possible.

Teamwork and a harmonious working environment plays an important part in fostering the Company's culture. Team building activities were regularly held to enhance the relationship among employees and management team.

We aim to increase our training and team building activities for our employees starting from FY2018 and aim to increase these activities over time.

## **6. GOVERNANCE**

### *Board Composition, Shareholders' Engagement and Ethics*

Commitment to our shareholders has always been a serious 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 latest performance, strategic and corporate developments.

Engaged with shareholders openly and actively during annual general meetings has been the yearly practice of the Group.

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 FY2017. Please refer to our annual report for FY2017.

We note and aim to maintain compliance with the revised Code of Corporate Governance 2018 in particular with respect of our Board as well as shareholders communication in due course and in a timely manner.

### *Whistle Blowing Policy*

The Company has put into place a whistle-blowing framework, 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.

The Company did not receive any whistle-blowing reports in FY2017.

### 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.

\*\*\*\*\* END \*\*\*\*\*