

PAN ASIAN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. : 197902790N)

DISPOSAL OF SUBSIDIARY – PA TECH (ASIA) PTE. LTD.

Pursuant to Rule 704(17)(c) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”), the Board of Directors (the “**Board**”) of Pan Asian Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”), wishes to announce that the Company has on 14 August 2019, entered into a Share Transfer Agreement (the “**STA**”) to dispose (the “**Proposed Disposal**”) of the Company’s entire shareholding interest (the “**Sale Shares**”) in its 60% owned subsidiary, PA Tech (Asia) Pte. Ltd. (“**PTPL**”) to Li Guofeng (the “**Purchaser**”).

Mr. Li Guo Feng was the 40% shareholder of PTPL prior to the STA.

Upon completion of the Proposed Disposal, the Company will no longer hold any interest in PTPL and it will cease to be a subsidiary of the Company.

As the relative figures of the Proposed Disposal computed on the bases set out in Rule 1006 of the Catalist Rules do not exceed 5%, the Proposed Disposal is classified as a non-discloseable transaction under Rule 1008 of the Catalist Rules.

Based on the unaudited consolidated financial statements of the Group for the six-months ended 30 June 2019, the carrying value of PTPL was S\$157,882.

The aggregate consideration payable by the Purchaser is a nominal cash value of S\$1.00, was derived on willing buyer and willing seller basis. Under the STA, the Purchaser undertakes to waive all owings from the Group to PTPL amounting to \$113,955 as at 30 June 2019. There is no variance to the amount of owings as at the date of this announcement.

The Proposed Disposal is concluded on a willing-buyer, willing-seller basis, based on arms’ length negotiations. Upon consideration that PTPL’s business model of inconsistent revenue and low margin trading is not in line with the Group’s overall business strategy.

The completion of the Proposed Disposal shall take effect on the day that the electronic register of members of PTPL is updated by Accounting and Corporate Regulatory Authority.

The Proposed Disposal is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ending 31 December 2019.

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

The Company will be making further announcement(s) as and when there are material developments to the above.

BY ORDER OF THE BOARD

Richard Koh Chye Heng
Executive Chairman

16 August 2019

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") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Jennifer Tan, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).