

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

**UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2015**

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 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 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.

	Year ended 31-Dec-15 S\$'000	Year ended 31-Dec-14 S\$'000	Increase/ (Decrease) %
Revenue	44,744	46,885	-4.57%
Cost of sales	(34,587)	(38,591)	-10.38%
Gross profit	10,157	8,294	22.46%
	23%	18%	
Interest income	-	10	NM
Other gains	5,521	167	NM
Marketing and distribution costs	(4,769)	(5,927)	-19.54%
Administrative expenses	(4,475)	(5,511)	-18.80%
Finance costs	(257)	(383)	-32.90%
Other losses	(5,553)	(2,813)	97.40%
Share of profit from equity-accounted joint ventures	98	132	-25.76%
Profit (Loss) before tax	722	(6,031)	NM
Income tax credits (expenses)	6	(12)	NM
Profit (Loss) net of tax	728	(6,043)	NM
<u>Other comprehensive income (loss)</u>			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Gains	255	29	NM
- Reclassification	31	-	NM
Other comprehensive income for the year, net of tax	286	29	
Total comprehensive income (loss)	1,014	(6,014)	NM
Profit (Loss) attributable to owners of the parent, net of tax	807	(5,721)	NM
Loss attributable to non-controlling interests, net of tax	(79)	(322)	-75.47%
Profit (Loss) net of tax	728	(6,043)	NM
Total comprehensive income (loss) attributable to owners of the parent	1,079	(5,692)	NM
Total comprehensive loss attributable to non-controlling interests	(65)	(322)	-79.81%
Total comprehensive income (loss)	1,014	(6,014)	NM

Notes to Consolidated Statement of Comprehensive Income	Year ended 31-Dec-15 S\$'000	Year ended 31-Dec-14 S\$'000	Increase/ (Decrease) %
<u>Revenue</u>			
Sale of goods	44,397	40,544	9.50%
Revenue from construction contracts	-	6,147	NM
Rental income	75	94	-20.21%
Commission income	33	79	-58.23%
Other income	239	21	NM
	44,744	46,885	-4.57%
Interest income	-	10	NM
<u>Depreciation expense</u>			
Cost of sales	118	268	-55.97%
Marketing and distribution costs	157	168	-6.55%
Administrative expenses	392	572	-31.47%
	667	1,008	-33.83%
<u>Other gains</u>			
Gains on disposal of property, plant and equipment, net	5,043	9	NM
Gains on disposal of investment, net	430	-	NM
Government grant	16	100	-84.00%
Sundry income	32	58	-44.83%
	5,521	167	NM
<u>Finance costs</u>			
Interest expense	(257)	(383)	-32.90%
<u>Other losses</u>			
Bad trade debts written off	(2)	(15)	-86.67%
Net allowance for impairment on receivables	(2,114)	(144)	NM
Allowance for impairment on other asset, current	(431)	(276)	56.16%
Allowance for impairment on other assets, non current	(25)	-	NM
Inventories written down	(551)	(66)	NM
Inventories written off	(216)	(6)	NM
Impairment loss on goodwill	(347)	(1,729)	-79.93%
Impairment loss on land use rights	(1,300)	-	NM
Impairment on plant and equipment	(348)	-	NM
Amortisation of land use rights	(63)	(60)	5.00%
Foreign exchange adjustment losses	(156)	(517)	-69.83%
	(5,553)	(2,813)	97.40%

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.

	<u>Group</u> <u>31-Dec-15</u> <u>S\$'000</u>	<u>Group</u> <u>31-Dec-14</u> <u>S\$'000</u>	<u>Company</u> <u>31-Dec-15</u> <u>S\$'000</u>	<u>Company</u> <u>31-Dec-14</u> <u>S\$'000</u>
<u>ASSETS</u>				
<u>Non-current assets</u>				
Property, plant and equipment	6,353	4,335	4,728	848
Investments in subsidiaries	-	-	6,054	10,356
Investments in joint ventures	340	242	105	105
Intangible assets	-	727	-	-
Land use rights	1,471	2,779	-	-
Other assets, non-current	78	103	78	103
Deferred tax assets	150	208	-	-
Total non-current assets	8,392	8,394	10,965	11,412
<u>Current assets</u>				
Asset held for sale under FRS 105	120	2,128	120	2,128
Inventories	4,979	7,112	1,522	3,786
Trade and other receivables	15,836	15,927	12,534	11,575
Other assets, current	1,817	2,791	228	293
Cash and cash equivalents	4,309	2,749	2,377	1,072
Total current assets	27,061	30,707	16,781	18,854
Total assets	35,453	39,101	27,746	30,266
<u>EQUITY AND LIABILITIES</u>				
<u>Equity attributable to owner of the parent</u>				
Share capital	15,300	15,300	15,300	15,300
Other reserves	340	47	-	-
Retained earnings	2,522	1,853	2,703	3,709
Equity, attributable to owners of the parent	18,162	17,200	18,003	19,009
Non-controlling interests	941	1,185	-	-
Total equity	19,103	18,385	18,003	19,009
<u>Non-current liabilities</u>				
Deferred tax liabilities	80	99	81	81
Finance leases, non-current	145	346	145	222
Total non-current liabilities	225	445	226	303
<u>Current liabilities</u>				
Income tax payable	222	601	-	253
Other financial liabilities	1,755	7,369	1,107	5,028
Finance leases, current	77	126	77	74
Trade and other payables	14,071	12,175	8,333	5,599
Total current liabilities	16,125	20,271	9,517	10,954
Total liabilities	16,350	20,716	9,743	11,257
Total equity and liabilities	35,453	39,101	27,746	30,266

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-15		31-Dec-14	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,832	-	7,495	-

(B) the amount repayable after one year;

31-Dec-15		31-Dec-14	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
145	-	346	-

(C) whether the amounts are secured or unsecured

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

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

The group's bank borrowing and debt securities of S\$7,369,000 as at 31 December 2014 were secured / covered by:

- A negative pledge over the assets of the company
- Corporate guarantees from the company
- Personal guarantee from related party of subsidiary
- First party charge on a subsidiary's office building

(D) details of any collaterals

The obligations under finance lease of S\$222,000 as at 31 December 2015 (31 December 2014: S\$472,000) 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 a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 31-Dec-15 S\$'000	Group 31-Dec-14 S\$'000
Cash flows from operating activities		
Profit (Loss) before tax	722	(6,031)
Adjustments for:		
Gains on disposal of investment, net	(430)	-
Depreciation of property, plant and equipment	667	1,008
Impairment on plant and equipment	348	-
Impairment loss on land use rights	1,300	-
Gains on disposal of property, plant and equipment, net	(5,043)	(9)
Impairment loss on goodwill	347	1,729
Amortisation of land use rights	63	60
Share of profit from equity-accounted joint ventures	(98)	(132)
Interest income	-	(10)
Interest expense	257	383
Operating cash flow before changes in working capital	<u>(1,867)</u>	<u>(3,002)</u>
Trade and other receivables	(4,303)	4,911
Other assets	805	347
Inventories	1,827	536
Trade and other payables	4,523	88
Net cash flows from operations	<u>985</u>	<u>2,880</u>
Income taxes paid	(234)	(2)
Net cash flows from operating activities	<u>751</u>	<u>2,878</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,626)	(580)
Proceeds from disposal of property, plant and equipment	8,027	119
Disposal of subsidiaries (net of cash disposed)	1,242	-
Acquisition of subsidiary	(65)	-
Interest received	-	10
Net cash flows from (used in) investing activities	<u>6,578</u>	<u>(451)</u>
Cash flows from financing activities		
Interest paid	(257)	(383)
Repayment of bank borrowings	(4,779)	(4,213)
Finance lease repayment	(83)	(123)
Net cash flows used in financing activities	<u>(5,119)</u>	<u>(4,719)</u>
Net increase (decrease) in cash and cash equivalents	2,210	(2,292)
Effect of exchange rate changes on cash and cash equivalent	318	142
Cash and cash equivalents, statement of cash flows, beginning balance	<u>1,781</u>	<u>3,931</u>
Cash and cash equivalents, statement of cash flows, ending balance	<u>4,309</u>	<u>1,781</u>
Represented by:		
Cash and cash equivalents	4,309	2,749
Bank overdraft	-	(968)
Cash and cash equivalents, statement of cash flows, ending balance	<u>4,309</u>	<u>1,781</u>

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:						
Previous year:						
Balance as at 1 January 2014	15,300	18	7,574	22,892	1,507	24,399
Movements in equity:						
Total comprehensive (loss) income for the year	-	29	(5,721)	(5,692)	(322)	(6,014)
Balance as at 31 December 2014	15,300	47	1,853	17,200	1,185	18,385
Current year:						
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	807	1,079	(65)	1,014
Transfer to statutory reserve	-	21	(21)	-	-	-
Acquisition of non-controlling interest without a change in control	-	-	(117)	(117)	40	(77)
Disposal of subsidiaries	-	-	-	-	(219)	(219)
Balance as at 31 December 2015	15,300	340	2,522	18,162	941	19,103
COMPANY:						
Previous year:						
Balance as at 1 January 2014	15,300	-	7,596	22,896	-	22,896
Movements in equity:						
Total comprehensive loss for the year	-	-	(3,887)	(3,887)	-	(3,887)
Balance as at 31 December 2014	15,300	-	3,709	19,009	-	19,009
Current year:						
Balance as at 1 January 2015	15,300	-	3,709	19,009	-	19,009
Movements in equity:						
Total comprehensive loss for the year	-	-	(1,006)	(1,006)	-	(1,006)
Balance as at 31 December 2015	15,300	-	2,703	18,003	-	18,003

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 to 31 December 2015. The Company's share capital as at 30 June 2015 and 31 December 2015 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 period. (As at 31 December 2014: 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.

	2015	2014
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 period 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 paragraph 5 below, the Group has applied the same accounting policies and methods of computation for the current financial period reported on as in the most recently audited annual financial statements for the financial period ended 31 December 2014.

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 2015.

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 / (Loss) per ordinary share attributable to the shareholders of the Company	Group	
	31-Dec-15	31-Dec-14
(i) Based on weighted average number of ordinary share in issue (Singapore cents)	0.38	(2.67)
Weighted average number of ordinary shares in issue	214,202,036	214,202,036
(ii) On a fully diluted basis (Singapore cents)	0.38	(2.67)
Diluted weighted average number of ordinary shares in issue	214,202,036	214,202,036

Basic and diluted earnings/(loss) per share were the same as there were no potentially dilutive securities in issue as at 31 December 2015 and 31 December 2014.

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-15	31-Dec-14	31-Dec-15	31-Dec-14
Net asset value per ordinary share based on issued share capital (Singapore cents)	8.48	8.03	8.40	8.87

Net asset value per ordinary share is calculated based on 214,202,036 (FY2014: 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

Revenue

The Group registered a decrease in revenue of S\$2.1 million. This was mainly due to a decrease in revenue arising from the deconsolidation of several subsidiaries mainly as a result of disposal, offset by increase in revenue from the Singapore entities (S\$2.7 million), Hong Kong entity (S\$1.6 million) and China entities (S\$1.4 million).

Gross Profit

Gross profit margin increased by 5% to 23% for FY2015. This is in line with the expected performance following the de-consolidation of PVT Engineering Sdn Bhd ("PVT") which generated lower than Group's average gross profit margin. The increase was also attributable to increased proportion of higher margin products as well as higher manufacturing volume which resulted in better recovery of the fixed manufacturing costs.

Other gains

Other gains increased by S\$5.4 million in FY2015 mainly due to the net gain on disposal of property, plant and equipment (“PPE”), which is largely contributed by the gain on disposal of 2 Tractor Road of S\$5.8 million offset by a loss of disposal of PPE of S\$0.8 million, as well as the gain on disposal of investment of S\$0.4 million due to the de-consolidation of the Malaysian subsidiaries.

Marketing and distribution costs

Marketing and distribution costs decreased by S\$1.1 million or 19.54% from S\$5.9 million in FY2014 to S\$4.8 million in FY2015. This was mainly attributable to the reduction in payroll expenses of \$0.6 million, aided by the de-consolidation of PVT, which contributed a decrease of S\$0.3 million. Payroll expenses decreased as a result of the reduction in headcount in Singapore, Malaysia and Netherlands.

Administrative expenses

Administrative expenses decreased by S\$1.0 million or 18.80% to S\$4.5 million in FY2015. This was mainly attributable to the reduction in payroll related expenses of S\$0.6 million as a result of lower headcount in FY2015, aided by the de-consolidation of PVT, which contributed an additional decrease in administrative expenses of S\$0.3 million.

Finance costs

Finance costs decreased by S\$0.1 million or 32.90% from S\$0.4 million in FY2014 to S\$0.3 million in FY2015 mainly due to the decreased utilisation of trade facilities which was in line with the reduction in revenue.

Other losses

Other losses increased by S\$2.8 million to S\$5.6 million for FY2015. This was largely due to:

- a) allowance for impairment of receivables of S\$2.1 million which comprise receivables due from deconsolidated and/or disposed subsidiaries, and specific trade debtors. The former were eliminated in the FY2014 consolidated financial statement of the Group;
- b) one-off impairment charge of S\$1.3 million recognised for the land use rights for a piece of land situated in Tianjin Ecocity, People’s Republic of China (“**Tianjin Ecocity**”) as a result of Management’s assessment of its net realisable value;
- c) impairment of other assets, current, recognised of S\$0.4 million as a result of Management’s assessment on its recoverability of prepayments made to a contractor to construct plant and equipment on the land in Tianjin Ecocity;
- d) inventories written down and written off of S\$0.8 million pursuant to management’s assessment of the net realisable value of the inventories;
- e) impairment of goodwill of \$0.4 million was as a result of Management’s assessment on the net realizable value of the goodwill for DVC Engineering & Trading Sdn. Bhd.; and
- f) impairment loss on property, plant and equipment of S\$0.3 million pursuant to management’s assessment on the value in use.

Depreciation expense

Depreciation expense decreased due to the disposal of plant and equipment as well as the de-consolidation of subsidiaries.

Income tax credit/expense

There was an income tax credit in FY2015, largely due to the write-back of tax over provision for the previous financial years that have been finalised by the tax authorities.

Financial Position

Non-current assets

Total non-current assets remained at S\$8.4 million as at 31 December 2015. This was mainly due to the increase in property, plant and equipment of S\$2.0 million offset by the decrease in intangible assets of S\$0.7 million and the decrease in land use rights of S\$1.3 million. Increase in property, plant and equipment was due to the acquisition of the new properties used for the Singapore operations as well as new accounting software, whereas the decrease in intangible assets was pursuant to the impairment of goodwill following the de-consolidation of the Malaysian subsidiaries and the decrease in land use rights was due an impairment of S\$1.3 million pursuant to management's assessment on its net realisable value.

Current assets

Current assets decreased by S\$3.6 million from S\$30.7 million as at 31 December 2014 to S\$27.1 million as at 31 December 2015. The decrease was mainly due to the following:

- a) decrease in inventory of S\$2.1 million to S\$5.0 million due to the inventory written off and allowance for inventory obsolescence of S\$0.8 million, coupled with management's deliberate attempt to control stock holding;
- b) decrease in asset held for sale under FRS 105 of S\$2.0 million. Asset held for sale as at 31 December 2014 relates to the property at 2 Tractor Road, whereas the asset held for sale as at 31 December 2015 relates to the 11.89% shareholding in PVT of which the disposal is pending completion;
- c) decrease in other assets, current by S\$1.0 million mainly due to the decrease in impairment of prepayment made to a contractor to construct plant and equipment on the land in Tianjin Ecocity of S\$0.4 million and lower prepayment and advances of S\$0.6 million as at balance sheet date of 31 December 2015; and
- d) increase in cash and cash equivalents of S\$1.6 million.

Non-current liabilities

Non-current liabilities decreased by S\$0.2 million from S\$0.4 million as at 31 December 2014 to S\$0.2 million as at 31 December 2015, mainly as a result of the decrease in finance lease resulting from the de-consolidation of PVT.

Current liabilities

Current liabilities decreased by S\$4.1 million largely as a result of the following:

- a) decrease in other financial liabilities is mainly contributed by the repayment of short term borrowings of S\$3.4 million and decreases in bills payable of S\$1.3 million and in bank overdrafts of S\$1.0 million largely pursuant to the disposal of PVT; offset by
- b) Increase in trade and other payables of S\$1.9 million due to increase in trade payables as a result of timing differences as significant amount of purchases was made towards the financial year end.

Statement of Cash Flow

Cash and cash equivalents increased by S\$2.2 million largely as a result of the cash inflow from investing activities and operating activities of S\$6.6 million and S\$0.8 million respectively, offset by the cash outflow from financing activities of S\$5.1 million.

Net cash generated from operating activities was S\$0.8 million in FY2015. This was mainly attributable to net cash generated from the decrease in trade and other payables and inventories offset by the increase in trade and other receivables.

Net cash generated from investing activities was S\$6.6 million was mainly due to the proceeds from the disposal of property, plant and equipment (S\$8.0 million) and cash inflow from disposal of subsidiaries (S\$1.2 million), offset by the purchase of property, plant and equipment of S\$2.6 million.

Net cash used in financing activities was S\$5.1 million largely as a result of repayment of bank borrowings of S\$4.8 million.

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

The financial results are in line with the Group's discussion presented under section 10 of the Company's half year unaudited financial results for the period ended 30 June 2015.

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.

On our sales into the marine and offshore segment, the low oil prices have driven down the total demand of our products in the offshore and marine industries. Therefore, we shall take necessary steps to reduce the operating expenses in our business units in this segment to reduce our exposure.

On our sales into the water and waste water industries, we see a healthy pipeline of forthcoming projects in the water and waste water industries in Asia which will augur well for our Group's business opportunities. We will aggressively pursue these opportunities for positive contribution to the Group.

In view of the whole external environment expecting to be very challenging, the Group will continue to take necessary steps to control operating costs so as to improve bottom line.

11. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

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

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

The first and final dividend, if approved by shareholders of the Company (“**Shareholders**”) at the Company’s forthcoming Annual General Meeting, will be paid on 26 May 2016.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Register of Members and Share Transfer Books of the Company will be closed on 18 May 2016 at 5.00 p.m. to determine shareholders’ entitlements to the first and final one-tier tax-exempt dividend of SGD0.005 per ordinary share for the financial year ended 31 December 2015 (“**Proposed Dividend**”). Duly completed transfers of shares received by the Company’s Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 Singapore 048544 up to 5.00 p.m. on 18 May 2016 will be registered to determine Shareholders’ entitlements to the Proposed Dividend. Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 18 May 2016 will be entitled to the Proposed Dividend.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

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)	Aggregate value of all interested persons transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$’000	S\$’000
Royalty payable to Duvalco International Pte Ltd	-	154
Purchases from Duvalco Valves & Fittings (Wuxi) Co. Ltd	-	3,380

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>	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	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
Revenue														
External sales	18,802	12,017	2,267	295	4,771	1,040	14,359	16,410	4,545	17,123	-	-	44,744	46,885
Result														
Segment result	4,667	2,869	545	91	526	47	3,112	3,235	1,307	2,052	-	-	10,157	8,294
Interest income									-	-	-	10	-	10
Finance costs									-	(42)	(257)	(341)	(257)	(383)
Amortisation of land use rights									(63)	(60)	-	-	(63)	(60)
Depreciation of property, plant and equipment									-	(101)	(667)	(907)	(667)	(1,008)
Employee benefits expenses									-	(567)	(5,634)	(6,917)	(5,634)	(7,484)
Unallocated corporate expense									-	-	(2,943)	(2,946)	(2,943)	(2,946)
Other credits (charges), net									-	(35)	31	(2,551)	31	(2,586)
Share of profit from equity-accounted joint ventures									-	-	98	132	98	132
Profit (loss) before income tax													722	(6,031)
Income tax credit (expense)													6	(12)
Net profit (loss) after tax													728	(6,043)

<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>	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	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														
<u>Segment assets</u>														
Trade and other receivables	7,075	4,358	3,147	708	201	62	3,499	5,339	1,914	5,460	-	-	15,836	15,927
Property, plant and equipment									-	282	6,353	4,053	6,353	4,335
Cash and cash equivalents									-	228	4,309	2,521	4,309	2,749
Asset held for sale under FRS 105									-	-	120	2,128	120	2,128
Others									-	-	8,835	13,962	8,835	13,962
Total assets													<u>35,453</u>	<u>39,101</u>
<u>Segment liabilities</u>														
Trade and other payables									-	1,628	14,071	10,547	14,071	12,175
Other financial liabilities									-	642	1,977	7,199	1,977	7,841
Others									-	-	302	700	302	700
Total liabilities													<u>16,350</u>	<u>20,716</u>
Capital expenditure									-	2	4,455	894	<u>4,455</u>	<u>896</u>

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>	
	2015	2014	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	16,267	11,892	19,058	15,303	4,302	682
Hong Kong	5,803	3,594	3,780	1,295	3	12
Vietnam	126	565	-	-	-	-
China	5,891	8,746	8,925	10,395	88	60
Indonesia	52	40	576	594	-	-
Malaysia	360	8,895	-	5,225	2	13
Australia	1,346	1,589	433	2,280	-	5
Japan	6,911	-	-	-	-	-
Brunei	2,111	881	-	-	-	-
Europe	4,464	5,534	2,617	3,932	60	124
Others	1,413	5,149	64	77	-	-
Consolidated	44,744	46,885	35,453	39,101	4,455	896

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 Malaysia market (S\$8.5 million) and China market (S\$2.8 million), offset by the increase from Singapore market (S\$4.4 million), Hong Kong market (S\$2.2 million), Japan market (S\$6.9 million), Brunei market (S\$1.2 million). The decrease in the revenue from the Malaysia market is in line with the deconsolidation of the Malaysian subsidiaries, whereas the decrease in the revenue from the China market is due to lesser projects secured. The increase in revenue is mainly due to the increase in projects secured for the year.

Japan market in particular saw an increase due to a new project that the Group has undertaken with a Japan customer.

Segment assets remained largely unchanged except for the assets carried at Malaysia (due to the de-consolidation), China and Australia (due to the impairment recorded), offset by the increase in Singapore largely as a result of the increase in property and increase in trade and other receivables recognised.

Additions to property, plant and equipment for Singapore increased by S\$3.6 million largely due to the purchase of the new properties at 2 Kallang Avenue.

16. A breakdown of sales.

S\$'000	Group		Increase/(Decrease)
	31-Dec-15	31-Dec-14	
(a) Sales reported for first half year	20,848	25,283	(17.54%)
(b) Operating profit (loss) after tax before deducting minority interests reported for first half year	48	(1,406)	NM
(c) Sales reported for second half year	23,896	21,602	10.62%
(d) Operating profit (loss) after tax before deducting minority interests reported for second half year	680	(4,637)	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-15*	31-Dec-14
Ordinary	1,071	-
Preference	-	-
Total	1,071	-

*Note:

FY2015's first and final dividend of S\$0.005 per ordinary share was calculated based on the number of ordinary shares in issue as at 31 December 2015, and is subject to the approval of Shareholders at the Company's forthcoming Annual General Meeting.

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 Catalyst 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	69	(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	49	(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	45	(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.	Redesignated as Sales and Marketing Director from Marketing Development Director with effect from 1 August 2015. The duties of Ms Kelly Koh has been expanded from marketing to sales and marketing of products of the Group.
Indriati Khoe	49	(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 2015, 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
29 February 2016