



Securities Investors Association (Singapore)

7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111

Tel: (65) 6227 2683 Fax: (65) 6220 6614

Email: admin@sias.org.sg www.sias.org.sg

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Issuer: Pan Asian Holdings Limited

Security: Pan Asian Holdings Limited

Meeting details:

Date: 29 April 2019

Time: 10.00 a.m.

Venue: Furama Riverfront Singapore, Venus Ballroom, 405 Havelock Road, Singapore 169633

Company Description

Pan Asian Holdings Limited is a Singapore-based company engaged in the supply of piping systems and related accessories for use in water and wastewater infrastructure developments. The Company's segments include Portable water (PW), Wastewater (WW), NEWater (NW), Valves (VA) and Others. The PW segment includes pipelines linking the raw water collection points to the water purification plants, or the distribution pipelines bringing clean water supply to homes and industrial buildings. The WW segment includes waste and sewer pipelines that channel the discharge of waste matter to the wastewater treatment plants for treatment before it is discharged into the sea or routed to other uses. The NW segment includes pipelines relating to NEWater treatment plants. The VA segment includes valves for municipal and industrial applications. Others segments includes pipelines relating to oil and gas industry.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=5EW)

Q1. As noted in the chairman's statement, the group entered into a 50% Joint Venture (MUHR Asia Pte Ltd ("MUHR Asia")) with E & R Muhr Holding GmbH ("MUHR").

This is a follow up of the Memorandum of Understanding signed with MUHR during the Singapore International Water Week. MUHR is an International Acclaimed Engineering Company and Equipment manufacturer.

The group, through its joint venture, will capitalise on the technical expertise and knowledge from MUHR to operate in East Asia Region.

The chairman has stated that the joint venture company has been actively tendering for infrastructure projects in the ASEAN regions.

- (i) Can management help shareholders understand the kinds of project that the joint venture company has evaluated and tendered for?**
- (ii) How will the group be able to fund any such infrastructure project given that these projects are typically capital intensive and have long gestation period?** As at 31 December 2018, the group has cash and cash equivalents of \$2.837 million.
- (iii) Which are the cities/countries that the group will be actively seeking out opportunities in?**

Q2. On 12 April 2018, the company announced that its wholly owned subsidiary, Duvalco Valves & Fitting (Wuxi) Ltd ("DVFV"), had on 1 April 2018 set up its manufacturing operations unit for valves products in Wuxi, China.

In the chairman's statement, it was disclosed that the group had successfully taken over the manufacturing facility of Duvalco brand of valves from its existing vendor in Wuxi, China.

- (i) What is the expertise of the group in managing its own manufacturing plant? Who is overseeing the day-to-day running of the plant?**
- (ii) How much cost savings, if any, has been realised?**
- (iii) What is the utilisation rate of the plant? Is the group selling and supplying to other customers direct from the plant?**
- (iv) Can management clarify if the plant is still subject of potential disruption/relocation as Duvalco Wuxi has been notified by the Wuxi's provincial authority to prepare for premises relocation? If so, what is the benefit for the group to take over the plant in the interim?**

- (v) **Can the audit committee (AC) help shareholders understand their role in the oversight of these interested person transactions? How familiar are the AC members with property market rates and factory rental in Wuxi?**

Q3. The remuneration of Ms Kelly Koh Mee Lin is disclosed on page 33 in the annual report (as shown below):

Name	Fixed Salary ⁽¹⁾	Fees	Bonus and Incentives
Remuneration Band up to S\$250,000			
Key Executive who is a family member of the Executive Directors			
Kelly Koh Mee Lin ⁽¹⁾	87%	5%	8%

Note:

- (1) Ms. Kelly Koh Mee Lin is daughter to Mr. Richard Koh Chye Heng, and sister to Mr. Koh Eddie. Other than Ms. Kelly Koh Mee Lin, there is no other employee who is immediate family member of the Directors and whose remuneration exceeds S\$50,000 during the year.

(Source: Adapted from Company annual report)

Ms Kelly Koh Mee Lin is the immediate family member of the executive directors.

According to Guideline 9.4 of the 2012 Code of Corporate Governance, details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year should be disclosed. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO.

Disclosure of remuneration should be in incremental bands of S\$50,000. The company need only show the applicable bands.

- (i) **Can the company disclose the remuneration of Ms Kelly Koh Mee Lin in bands of \$50,000 as recommended by the Code?**
- (ii) **Can the company also help shareholders understand the roles and responsibilities of Ms Kelly Koh Mee Lin?**