

**FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31
DECEMBER 2011**

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PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS FULL YEAR RESULTS

1(a) A consolidated 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-11 S\$'000	Year ended 31-Dec-10 S\$'000	Increase/ (Decrease) %
Revenue	47,563	35,463	34.12%
Cost of Sales	(38,205)	(27,748)	37.69%
Gross Profit	9,358	7,715	21.30%
	20%	22%	
Other Items of Income			
Interest Income	47	18	161.11%
Other Credits	2,287	1,301	75.79%
Other Items of Expenses			
Marketing and Distribution Costs	(4,977)	(4,071)	22.25%
Administrative Expenses	(5,386)	(4,109)	31.08%
Finance Costs	(195)	(135)	44.44%
Other Charges	(664)	(537)	23.65%
Share of Profit from Equity - Accounted Joint Venture	11	-	NM
Profit Before Tax from Continuing Operations	481	182	164.29%
Income Tax Expense	(208)	(26)	700.00%
Profit from Continuing Operations, Net of Tax	273	156	75.00%
Attributable to :			
Owners of the Parent	128	237	-45.99%
Non-Controlling Interests	145	(81)	NM
Profit, Net of Tax	273	156	75.00%
Other Comprehensive Income/(Loss)			
Profit for the year	273	156	75.00%
Exchange Differences on Translating Foreign Operations, Net of Tax	465	(262)	NM
Total Comprehensive Income For The Year	738	(106)	NM
Attributable to :			
Owners of the Parent	517	20	2485.00%
Non-Controlling Interests	221	(126)	NM
Total Comprehensive Income For The Year	738	(106)	NM

Notes to Consolidated Statement of Comprehensive Income	Year ended 31-Dec-11 S\$000	Year ended 31-Dec-10 S\$000	Increase/ (Decrease) %
Revenue			
Sales	47,240	34,994	34.99%
Commission income	75	205	-63.41%
Rental income	117	129	-9.30%
Sundry income	131	135	-2.96%
	47,563	35,463	34.12%
Interest income	47	18	161.11%
Other credits			
Gain on bargain purchases	1,291	-	NM
Gain on disposal of assets held for sale	-	110	NM
Gain on disposal of plant and equipment	109	-	NM
Government grants income	37	274	-86.50%
Refund of shortfall in profits guarantee by vendor	820	-	NM
Reversal of allowance for impairment in trade receivables	-	40	NM
Reversal of allowance for inventories	30	802	-96.26%
Royalty expenses waived by a related party	-	75	NM
	2,287	1,301	75.79%
Finance Costs			
Interest expense	(195)	(135)	44.44%
Other Charges			
Bad debts written off	-	(3)	NM
Provision for doubtful debt	(3)	-	NM
Plant and equipment written off	(15)	(10)	50.00%
Amortisation of intangible asset	(269)	(153)	75.82%
Loss on disposal of plant and equipment	-	(14)	NM
Foreign exchange adjustment losses	(377)	(357)	5.60%
	(664)	(537)	23.65%

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.

	Group 31-Dec-11 S\$'000	Group 31-Dec-10 S\$'000	Company 31-Dec-11 S\$'000	Company 31-Dec-10 S\$'000
ASSETS				
Non-Current Assets:				
Property, Plant and Equipment	7,826	4,847	3,143	3,429
Investments in Subsidiaries	-	-	10,795	5,582
Investments in Joint Ventures	60	-	49	-
Intangible Assets	2,279	2,548	-	-
Other Assets	87	87	87	87
Deferred Tax Assets	-	166	-	-
Total Non-Current Assets	10,252	7,648	14,074	9,098
Current Assets:				
Inventories	4,400	4,132	1,599	2,815
Trade and Other Receivables	17,794	10,519	17,558	8,557
Other Assets	3,510	1,014	711	244
Cash and Cash Equivalents	8,568	6,711	3,446	3,798
Total Current Assets	34,272	22,376	23,314	15,414
Total Assets	44,524	30,024	37,388	24,512
EQUITY AND LIABILITIES				
Equity attributable to owner of the parent:				
Share Capital	13,174	8,947	13,174	8,947
Other Reserves	(87)	(492)	-	-
Retained Earnings	8,961	8,849	10,372	8,045
	22,048	17,304	23,546	16,992
Non-Controlling Interests	2,569	1,273	-	-
Total Equity	24,617	18,577	23,546	16,992
Non-Current Liabilities:				
Deferred Tax Liabilities	317	190	81	81
Other Financial Liabilities	200	1,000	200	1,000
Finance Leases	277	223	119	188
Total Non-Current Liabilities	794	1,413	400	1,269
Current Liabilities:				
Income Tax Payable	315	578	296	535
Other Financial Liabilities	4,526	2,075	2,800	1,514
Finance Leases	100	84	69	79
Other Liabilities	-	106	-	106
Trade and Other Payables	14,172	7,191	10,277	4,017
Total Current Liabilities	19,113	10,034	13,442	6,251
Total Liabilities	19,907	11,447	13,842	7,520
Total Equity and Liabilities	44,524	30,024	37,388	24,512

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

Amount repayable in one year or less, or on demand					
As at 31-Dec-11				As at 31-Dec-10	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
691	3,935	366		366	1,793
Amount repayable after one year					
As at 31-Dec-11				As at 31-Dec-10	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
277	200	223		223	1,000

The group's bank borrowing and debt securities as at 31 December 2011 were secured / covered by :

- a. A negative pledge over the assets of the company
- b. Corporate guarantees from the company
- c. Personal guarantee from related party of subsidiary

The obligations under finance lease are secured by a charge over the leased assets and the personal guarantee from a director of company.

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

	Group Year ended 31-Dec-11 S\$'000	Group Year ended 31-Dec-10 S\$'000
Cash flows from operating activities		
Profit before tax	481	182
Adjustments for:		
Plant and equipment written off	15	-
Depreciation expense of property, plant and equipment	701	454
Gain on disposal of asset held for sale	-	(110)
Gain on disposal of plant and equipment	(109)	-
Loss on Disposal of Property, Plant and Equipment	-	24
Refund of shortfall in profits guarantee	(820)	-
Amortisation of intangible asset	269	153
Gain on bargain purchases	(1,291)	-
Share of profit from equity-accounted Joint Venture	(11)	-
Interest income	(47)	(18)
Interest expense	195	135
Operating profit before changes in working capital	<u>(617)</u>	<u>820</u>
Cash restricted in use over 3 months	406	1,643
Trade & other receivables	(7,351)	459
Other assets	(2,496)	(455)
Inventories	648	2,576
Other liabilities	(106)	106
Trade & other payables	6,981	(6,187)
Cash used in operations	<u>(2,535)</u>	<u>(1,038)</u>
Income tax paid	(145)	(408)
Net cash used in operating activities	<u>(2,680)</u>	<u>(1,446)</u>
Cash flows from investing activities		
Proceeds from disposal of asset held for sale	-	659
Proceeds from disposal of plant and equipment	109	-
Purchase of plant and equipment	(480)	(1,432)
Refund of shortfall in profits guarantee by vendor	820	-
Net cash outflow from acquisition of subsidiaries	(1,382)	-
Acquisition of Joint Ventures	(49)	-
Deposits for acquisition of subsidiary	-	(2,375)
Interest received	47	18
Cash restricted in use over 3 months	(1,000)	-
Net cash used in investing activities	<u>(1,935)</u>	<u>(3,130)</u>
Cash flows from financing activities		
Interest paid	(195)	(135)
Dividend paid to equity owners	-	(1,250)
Increase from new borrowings	1,265	273
Repayment of bank borrowings	-	(86)
Finance lease repayment	(46)	(123)
Capital from Non-controlling interest	-	1,072
Issuance of shares	4,227	-
Net cash from / (used in) financing activities	<u>5,251</u>	<u>(249)</u>
Net increase (decrease) in cash and cash equivalents	636	(4,825)
Effect of Exchange Rate Changes on Cash and Cash Equivalent	325	(232)
Cash and cash equivalents at beginning of year	6,017	11,074
Cash and cash equivalents at end of year	<u>6,978</u>	<u>6,017</u>
Represented by:		
Cash and cash equivalents	8,568	6,711
Bank overdraft	(590)	(288)
Less: Cash restricted in use	(1,000)	(406)
	<u>6,978</u>	<u>6,017</u>

Note A

The cash flows from operating activities has been prepared without taking into account the pre-acquisition cash flow impact from the acquisition of Duvalco B.V. and W.D. Moore Pty Ltd. Please refer to Note B below for more information on the cash flow impact of the aforesaid acquisitions on the Group's cash flow from investing activities.

Note B

The group acquired 100% of Duvalco B.V. with effective from 4 January 2011 and 51% of W.D. Moore Pty Ltd with effective from 7 December 2011. The transactions were accounted by the purchase method of accounting. The net assets acquired are as follows:

	Group	
	Fair value on acquisition \$'000	Carrying amount before acquisition \$'000
Plant and equipment	2,849	1,879
Inventories	916	466
	<u>3,765</u>	<u>2,345</u>
Non-controlling interests	(1,092)	
Gain on bargain purchases	<u>(1,291)</u>	
Consideration	<u>1,382</u>	
Satisfied by:		
Cash consideration	1,382	
Less: Cash taken over	-	
Net cash outflow on acquisition	<u>1,382</u>	

Note C

During the financial year there were acquisitions of plant and equipment with a total cost of \$200,000 (2010 \$72,000) acquired by means of finance leases.

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 2010	8,947	(301)	9,888	18,534	-	18,534
Movements in Equity						
Total comprehensive income for the year	-	(217)	237	20	(126)	(106)
Transfer to statutory reserve	-	26	(26)	-	-	-
Dividend paid	-	-	(1,250)	(1,250)	-	(1,250)
Acquisition of subsidiaries	-	-	-	-	1,399	1,399
Balance as at 31 December 2010	8,947	(492)	8,849	17,304	1,273	18,577
Current year:						
Balance as at 1 January 2011	8,947	(492)	8,849	17,304	1,273	18,577
Movements in Equity						
Total comprehensive income for the year	-	389	128	517	221	738
Transfer to statutory reserve	-	16	(16)	-	-	-
Issuance of share capital	4,227	-	-	4,227	-	4,227
Acquisition/Incorporation of subsidiaries	-	-	-	-	1,075	1,075
Balance as at 31 December 2011	13,174	(87)	8,961	22,048	2,569	24,617
COMPANY						
Previous year:						
Balance as at 1 January 2010	8,947	-	8,482	17,429	-	17,429
Movements in Equity						
Total comprehensive income for the year	-	-	813	813	-	813
Dividend paid	-	-	(1,250)	(1,250)	-	(1,250)
Balance as at 31 December 2010	8,947	-	8,045	16,992	-	16,992
Current year:						
Balance as at 1 January 2011	8,947	-	8,045	16,992	-	16,992
Movements in Equity						
Total comprehensive income for the year	-	-	2,327	2,327	-	2,327
Issuance of share capital	4,227	-	-	4,227	-	4,227
Balance as at 31 December 2011	13,174	-	10,372	23,546	-	23,546

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 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.

Total number of issued shares excluding treasury shares as at the end of the current financial period are 187,625,000 (FY2010 : 125,000,000).

The Company issued 62,500,000 shares via rights issue in January 2011.

There were total of 125,000 shares allotted via exercise of warrants by shareholders during the financial year.

There are 62,375,000 warrants outstanding each with an exercise price of S\$0.08 expiring on 11 January 2013.

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.

	31-Dec-11	31-Dec-10
Issued & fully paid share capital	125,000,000	125,000,000
Addition:		
Rights issued	62,500,000	-
Exercise of share warrants	125,000	-
Total number of shares	187,625,000	125,000,000

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.

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.

The group has applied the same accounting policies and methods of computation in the group's financial statements for the current financial year compared to the audited financial statements as at 31 December 2010 except for the adoption of the applicable new and revised Financial Reporting Standards (FRS) that became effective for the group for the financial year beginning 1 January 2011. The new or revised standards did not require significant modification of the measurement method or the presentation of the financial information.

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 same accounting policies and methods of computation have been applied.

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.

	31-Dec-11	31-Dec-10
(i) Based on number of ordinary share in issue	0.07cents	0.18 cents
(ii) On a fully diluted basis	0.07 cents	0.18 cents

The basic earnings per share for the year ended 31 December 2011 was calculated by dividing the group's profit attributable to equity holders of the parents net of tax of \$127,867 by the number of weighted average ordinary shares which is 185,881,164.

The dilutive earning per share for the year ended 31 December 2011 was calculated by dividing the group's profit attributable to equity holders of the parents net of tax of \$127,867 by the total number of weighted average ordinary shares and the effect of outstanding warrants, which is 196,626,616.

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	
	As at 31.12.2011	As at 31.12.2010	As at 31.12.2011	As at 31.12.2010
Net asset value per ordinary share based on number of shares in issue at end of year	11.75 cents	13.84 cents	12.55 cents	13.59 cents

Net asset value per ordinary share is calculated based on 187,625,000 (FY2010 : 125,000,000) ordinary shares at the end of financial year.

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's revenue increased by \$12.1 million or 34.1% to \$47.6 million for the full-year ended 31 December 2011 ("FY11") from \$35.5 million for the full-year ended 31 December 2010 ("FY10"). This was mainly attributable to the increase in sales in China, Malaysia, Cambodia, as well as new sales territories UK and Holland.

Gross Profit

Gross profit margin decreased by 2.1 percentage point from 21.8% to 19.7%. This was mainly attributable to lower profit margins to achieve a higher sales volume as compared to the previous financial year.

Despite the lower gross margin, the total gross profit increased by \$1.7 million or 21.3% to \$9.4 million in FY11 from \$7.7 million in FY10.

Other Items of Income

Other items of income increased by \$1.0 million or 75.8% from \$1.3 million in FY10 to \$2.3 million in FY11 due mainly to the increase in other credits amounting to \$1.3 million from the gain on bargain purchases of businesses, from Duvalco B.V. and W.D. Moore Pty Ltd, as well as the refund of shortfall in profits guarantee from the vendors of PVT Engineering Sdn Bhd. amounting to \$0.8 million. The aforementioned was partially offset by the absence of the reversal of allowance of inventories of \$0.8 accrued in FY10.

Marketing and Distribution Costs

Marketing and distribution costs increased by \$0.9 million or 22.3% from \$4.1 million in FY10 to \$5.0 million in FY11. This was mainly attributable to the increase in sales activities in new territories in Vietnam, Holland, and China.

Administrative Expenses

Administrative expenses increased by \$1.3 million or 31.1% from \$4.1 million in FY10 to \$5.4 million in FY11 due mainly to expenses incurred in the new entities in new market territories.

Finance Costs

Finance cost increased by \$60,000 or 44.4% from \$135,000 in FY10 to \$195,000 in FY11 mainly due to increased sales activities as well as additional financing for working capital purposes.

Other Charges

Other charges increased by \$127,000, from \$537,000 in FY10 to \$664,000 in FY11, mainly attributable to amortisation of intangible asset and foreign exchange adjustment losses during the reporting year.

Share of Joint Venture Profit After Tax

Share of joint venture profit after tax amounted to \$11,000 due to our Group's share of profit in Franklin Hodge (Asia) Pte Ltd for FY11.

Profit before Tax from Continuing Operations

Despite higher marketing and administrative expenses, profit before tax from continuing operations increased by \$299,000 or 164.3% from \$182,000 in FY10 to \$481,000 in FY11, due mainly to higher revenue and other credits derived from businesses purchased at bargain prices and refund of shortfall of profit guarantee.

Income Tax Expense

Income tax expense increased by \$182,000 or 700.0% from \$26,000 in FY10 to \$208,000 in FY11, in line with the increased in profit before tax of the group and deferred tax liabilities.

Financial Position

Non-Current Assets

Non-current assets increased by \$2.6 million from \$7.6 million as at 31 December 2010 to \$10.2 million as at 31 December 2011. The increase was mainly attributable to the increase in plant and equipment of \$3.0 million mainly due to consolidation of assets from the acquisition of Duvalco B.V. and W.D. Moore Pty Ltd, and partially offset by the depreciation charge for the financial year. The aforementioned was partially offset by the decrease in intangible assets and deferred tax asset amounting to \$0.3 million and \$0.2 million respectively.

Current Assets

Current assets increased by \$11.9 million from \$22.4 million as at 31 December 2010 to \$34.3 million as at 31 December 2011. The increase was mainly attributable to the following:

- 1) Increase in inventories by \$0.3 million from \$4.1 million to \$4.4 million in line with the higher revenue during the year;
- 2) Increase in trade and other receivables by \$7.1 million from \$10.5 million to \$17.6 million, mainly attributable to outstanding invoices as at 31 December 2011, as well as generally longer payment terms for our Group's subsidiaries in China and Malaysia;
- 3) Increase in other assets by \$2.5 million from \$1.0 million to \$3.5 million due mainly to the downpayment for the factory construction in China; and
- 4) Increase in cash and cash equivalents by \$1.9 million from \$6.7 million to \$8.6 million. Please refer to section 'Statement of Cash Flow' below for more information.

Non-Current Liabilities

Non-current liabilities decreased by \$60,000 from \$1.4 million as at 31 December 2010 to \$0.8 million as at 31 December 2011 as the repayment of long term loan of \$0.8 million was offset by the increase in deferred tax liabilities of \$0.1 million.

Current Liabilities

Current liabilities increased by \$9.1 million from \$10.0 million as at 31 December 2010 to \$19.1 million as at 31 December 2011. The increase was mainly attributable to the following:

- 1) Increase in other financial liabilities (current) by \$2.4 million from \$2.1 million to \$4.5 million mainly due to higher utilisation of facilities; and
- 2) Increase in trade and other payables by \$7.0 million from \$7.2 million to \$14.2 million mainly due to commitments made as at 31 December 2011 and the higher sales activities during the period under review.

The aforementioned was partially offset by the decrease in income tax payable by \$0.3 million from \$0.6 million to \$0.3 million.

Statement of Cash Flow

Net cash used in operating activities was \$2.7 million in FY11, due to the operating loss before changes in working capital of \$0.6 million, net cash used in working capital of \$1.9 million and net income tax paid of \$0.1 million. The net cash used in working capital of \$1.9 million was mainly due to increase in trade and other receivables by \$7.4 million, increase in other assets by \$2.5 million and decrease in other liabilities amounting to \$0.1 million. The aforementioned were partially offset by the decrease in inventories of \$0.6 million and increase in trade and other payables of \$7.0 million.

Net cash used in investing activities was \$1.9 million in FY11, due mainly to the investment in Duvalco B.V and W.D. Moore Pty Ltd of \$1.4 million and purchase of plant and equipment of \$0.5 million, partially offset by the refund of shortfall in profit guarantee of our Group's investment in PVT Engineering Sdn Bhd of \$0.8 million and proceeds from the disposal of plant and equipment of \$0.1 million.

Net cash generated from financing activities was \$5.2 million in FY11, due mainly to equity funds raised from the rights issue exercise completed during the year amounting to \$4.2 million, increase in new borrowings of \$1.3 million, partially offset by the interest expenses of \$0.2 million and decrease in financial lease of \$0.1 million.

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.

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.

We foresee a tough year ahead with continued pressures on margins and profitability.

Amid the market uncertainties, we would continue to stay focused on developing our manufacturing strengths and expanding our existing markets. We would continue to develop and expand the Duvalco range of products which will contribute to our Group's bottom line.

In our efforts to continue to enhance our spectrum of products, we had recently embarked on eco technology and the application of wind and solar energy to water treatment processes.

Barring unforeseen circumstances, and given the global economic uncertainties, our Group would face challenges in managing its operations. Nevertheless, our Group would strive to grow its market share in its range of products.

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?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend is declared or recommended for the current financial period reported on.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUCEMENT

13. 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>PW</u>		<u>WW</u>		<u>IW</u>		<u>Valves</u>		<u>Others</u>		<u>Consolidated</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>								
	<u>S\$'000</u>	<u>S\$'000</u>										
Revenue												
External sales	27,799	27,892	253	2,736	1,018	634	10,545	2,874	7,949	1,327	47,563	35,463
Result												
Segment result	3,312	5,638	67	797	868	244	2,929	603	2,182	433	9,358	7,715
Interest income											47	18
Finance costs											(195)	(135)
Unallocated corporate expense											(10,363)	(8,180)
Other charges / (credit)											1,623	764
Share of joint venture profits											11	-
Profit before income tax											481	182
Income tax expense											(208)	(26)
Net profit after tax											273	156
Other information												
Segment assets	7,823	7,302	82	70	87	352	4,434	809	4,702	1,066	17,128	9,599
Unallocated assets											27,396	20,425
Total assets											44,524	30,024
Segment liabilities											-	-
Unallocated liabilities											19,907	11,447
Total assets											19,907	11,447
Capital expenditure											3,677	4,188
Depreciation											701	607
Amortisation											269	153

A new valve segment is presented which consists of operations mainly in Singapore, Holland, and China. This segment is introduced during the year as it accounts for more than 10% of Group revenue during the year. Comparative has been aligned to the new segment.

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>Additional to property, plant and equipment</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Singapore	13,638	11,086	20,146	17,280	75	272
Hong Kong	778	2,137	798	1,265	2	-
Vietnam	13,390	10,295	-	-	-	-
China	3,808	2,666	10,413	4,110	112	1,202
Indonesia	860	529	864	725	-	1
Malaysia	5,165	2,955	6,984	6,644	439	29
Australia	275	-	2,894	-	1,983	-
Cambodia	4,665	-	-	-	-	-
Europe	1,320	-	2,425	-	1,066	-
Others	3,664	5,795	-	-	-	-
Consolidated	47,563	35,463	44,523	30,024	3,677	1,504

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

Revenue reduction in Hong Kong was mainly attributable to less business opportunities and delay of projects in the country.

15. A breakdown of sales.

	Group		
	2011	2010	%
	S\$'000	S\$'000	Increase / (Decrease)
(a) Sales reported for first half year	22,022	16,732	32%
(b) Profit after tax before deducting non-controlling interest reported for first half year	97	110	(12%)
(c) Sales reported for second half year	25,541	18,731	36%
(b) Profit after tax before deducting non-controlling interest reported for second half year	176	46	283%

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

	Group	
	2011	2010
	S\$'000	S\$'000
Ordinary	-	1,250
Preference	-	-
Total	-	1,250

17. Interested Parties Transactions

Interested Persons Transactions		
Name of Interested Person	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 920 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
Purchase from :		
Duvalco International Pte Ltd	-	306
Sinzhong Valves & Fittings (Wuxi) Co. Ltd	-	2,269

18. 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	63	(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 26 May 2008. Develop, formulate and implement the business strategies of the Group.	None
Koh Eddie	45	(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 1 December 1989. Assisting the Executive Chairman in the daily operations, business development and strategy planning of the Company.	None
Indriati Khoe	44	(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 29 May 2009.	None
Goh Book Pang	71	Brother of Goh Boon Kok, Independent Director of PAHL,	Quality Manager from 9 April 2010	None

Mr Wu Yu Liang, Director of the Company has confirmed that as at 31 December 2011, he does 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 2012