

**PAN ASIAN WATER SOLUTIONS LIMITED**  
**Registration No. 197902790N**

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**INCORPORATION OF WHOLLY OWNED SUBSIDIARY IN TIANJIN,  
CHINA - PAN ASIAN MANUFACTURING (TIANJIN) CO. LTD**

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The Board of Directors of Pan Asian Water Solutions Limited (the "Company") wishes to announce that the Company had set up a wholly owned subsidiary known as Pan Asian Manufacturing (Tianjin) Co. Ltd in Tianjin, China.

Pan Asian Manufacturing (Tianjin) Co. Ltd has been incorporated to be the Group's headquarters in Tianjin Eco-City and to consolidate the Group's existing pipe and valve manufacturing operations in the PRC. It will also hold the plot of land located in Tianjin Eco-City to be acquired from Sino-Singapore Tianjin Eco-City Investment and Development Co. Ltd (as announced on 8 June 2010).

Pan Asian Manufacturing (Tianjin) Co. Ltd has a registered capital of RMB80 million. The paid up capital to-date is RMB2.5 million.

The establishment of Pan Asian Manufacturing (Tianjin) Co. Ltd will be funded through internal resources, funds to be raised from the proposed rights issue of shares and warrants announced on 22 October 2010 and bank financing.

None of the Directors or Controlling Shareholders (as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited) of the Company has any interest, direct or indirect, in the above transaction.

**BY ORDER OF THE BOARD**

Richard Koh Chye Heng  
Executive Chairman  
Date: 15 November 2010

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