

PAN ASIAN WATER SOLUTIONS LIMITED
Registration No. 197902790N

ESTABLISHMENT OF A JOINT VENTURE COMPANY WITH TIANJIN BOHAI YONGSHENG VALVE CO. LTD

The Board of Directors of Pan Asian Water Solutions Limited (the “**Group**”) wishes to announce that the Group’s wholly owned subsidiary, Duvalco Valves & Fittings Pte Ltd (the “**Company**”, formerly known as “Pan Asian Engineering Pte Ltd”), has on 9 September 2009 entered into a joint venture agreement with Tianjin Bohai Yongsheng Valve Co. Ltd (“**Tianjin Bohai**”) a company incorporated in the People Republic of China to establish a 60:40 joint venture company, Duvalco Valves (Tianjin) Co., Ltd (“**Duvalco Valves**”) at Guangming Industrial Area, Beizhakou Town, Jinan District, Tianjin to manufacture valves & fittings.

Duvalco Valves will have a share capital of RMB12.5 million (approximately SGD2.62 million) which would be held by the Company and Tianjin Bohai in proportion of 60:40, respectively.

The joint venture is not expected to have a material impact on the Group’s earnings per share or net tangible assets for the financial year ending 31 December 2009.

None of the Directors or substantial shareholders 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: 9 September 2009

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