



For Immediate Release

**PAN ASIAN WATER ACHIEVES RECORD RESULTS WITH
200% GROWTH IN NET PROFIT ON STRONG ORDERS AND SALES**

- Higher sales across all geographical and business segments; Singapore sales more than tripled to S\$52.8 million from S\$12.9 million with major public utilities contracts executed
- Announced dividends of 0.5 cent, representing 23.49% of FY2008 earnings

S\$ (Million)	FY2008	FY2007	Change (%)
Revenue	122.2	44.7	173.4
Gross Profit	13.1	6.6	99.2
Profit before tax	3.55	1.25	184.9
Net Profit attributable to shareholders	2.66	0.88	200.7
Earnings Per Shares (cents)	2.13	0.71	200.0
Net Asset Value (cents)	13.52	11.66	16.0

SINGAPORE, 23rd February 2009 – Pan Asian Water Solutions Limited (“PAWSL” or “The Group”), a one-stop water piping system solutions specialist, announced today a record 200% jump in net profit to S\$2.66 million on the back of S\$122.2 million in turnover for the financial year ended 31 December 2008 (“FY2008”). The creditable performance is attributed to increased regional contract wins and growing contribution from its relining & rehabilitation business.

“We have achieved a good set of results considering the current difficult macro economic conditions. We believe this is a testament both to the resilient nature of our industry as well as the efforts of the PAWSL team, who have worked tirelessly over the year to expand our local presence whilst breaking into new markets overseas. Their efforts have culminated in major contract wins with public utilities in the region, which has greatly increased our brand profile and

can only bode well for our future performance,” said Mr. Francis Koh, Managing Director & CEO of PAWSL.

In view of the Group’s performance, the Directors have proposed a final dividend of 0.5 cent per ordinary share, representing a total dividend payout of 23.49% of FY2008 earnings.

Performance Review

Sales rose across most geographical markets as the Group benefited from increased government spending on water infrastructure in the region. Singapore continued to lead the growth with sales surging from S\$12.9 million to S\$52.8 million, which accounted for 43% of overall revenue. Sales from South East Asia and other regions accounted for the balance, doubling from S\$31.8 million in FY2007 to S\$69.5 million in FY2008.

Gross profit rose to S\$13 million from S\$6.5 million due to higher reported revenue. However, gross margin retracted slightly from 14.7% to 10.7% as the Group faced price pressures to secure larger orders in Vietnam.

The Group generated S\$801,000 of positive operating cash inflow versus negative S\$792,000 in FY2007. Cash and cash equivalent rose to S\$5.1 million as at 31 December 2008 from S\$3.3 million as at 31 December 2007.

Outlook

“We continue to see opportunities in the water sector despite the global economy showing signs of going into a recession in 2009. In Singapore, our key market, the government is expected to increase spending on water infrastructure having announced plans for several future major water development projects. For instance, two new reservoirs at Punggol and Serangoon will be completed later this year while the country’s largest NEWater plant will be built at Changi by 2010. We have already secured contracts for some of these projects and expect more tenders to be made available as more projects goes into construction, “ said Mr Koh.

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Pan Asian Water Solutions Limited

Established in 1979, Singapore Exchange-listed Pan Asian Water Solutions Limited ("PAWSL") is a one-stop provider of quality piping system solutions to the water purification and wastewater treatment industry.

The Group manufactures and supplies an extensive product range with approximately 750 items of ductile iron pipes, valves, gates, couplings and other accessories. With over 25 years of industry experience and strong technical expertise, we also offer consultancy services in the design of complex piping systems configuration as well as fabrication services to customise our products to suit customers' stringent requirements.

Headquartered in Singapore, PAWSL has operations in Hong Kong, Shanghai and Jakarta, and a representative office in Vietnam. The Group's customer base stretches across 14 countries across Asia, Middle East, and other parts of the world. The Group services mainly local utility authorities and private contractors engaged in the development of major water treatment projects.

For more information on the company, please visit: <http://www.pawater.com.sg>.

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