



## Pan-United's effective working capital management provides buffer in challenging 9M

- Healthy cashflow from operations of S\$52m; cash conversion cycle improved to 25 days
- Net gearing also improves by 10 percentage points to 13%
- Strong logistics capabilities and synergies from core divisions will steer the Group through challenging time

SINGAPORE, 10 November 2009

FOR IMMEDIATE RELEASE

Pan-United Corporation Ltd (PUC, the Group or 泛联集团) tightened its working capital management to combat the tough operating environment, thus strengthening its balance sheet considerably for the nine months ended 30 September 2009 (9M09).

The Group actively managed its receivables and inventories, cutting its cash conversion cycle significantly to 25 days for 9M09, against 43 days for the corresponding period last year. As a result, cashflow from operations increased by 158% year-on-year (yoy) to S\$52.0 million compared with S\$20.2 million last year. In addition, PUC further reduced its total bank borrowings, which improved net gearing to 13% from 23% last year.

For 9M09, the Group's net attributable profit (PATMI) came in at S\$28.8 million on turnover of S\$373.9 million, supported by contributions from all its three core divisions. Group revenue was down 8% yoy amid harsh competition which resulted in softer prices for basic building materials.

PUC's Chief Executive Officer, Mr Patrick Ng, said: "Despite the stiff competition, we are confident that we can maintain our leading share of the local market for ready-mixed concrete (RMC) and cement. We will continue to keep a close watch over our costs and to heighten efforts to manage our working capital so as to drive better returns."

Looking ahead, he commented: "We expect the operating environment to remain challenging for some time. However, we are confident that our strong logistics capabilities developed over the past 50 years, together with the synergies achieved from our core divisions, will steer us through this period."



The Group recently won RMC and cement supply contracts worth S\$74 million for the construction of Marina Coastal Expressway which will link the eastern and western parts of Singapore to the New Downtown. This mega project, which includes a 3.5-km underground tunnel, adds to the Group's solid track record, which has seen it supplying materials for major projects across the city-state. Examples include The Sail at Marina Bay, Changi Airport Terminal 3, the Fort Canning Tunnel, Fusionopolis, the Port of Singapore Authority Pasir Panjang Terminal, St Regis Hotel, and the MRT Circle Line and Downtown Line.

**ABOUT THE COMPANY**

[www.panunited.com.sg](http://www.panunited.com.sg)

SGX mainboard listing: December 1993

PUC is one of the region's rising infrastructure and logistics groups, engaged in port & logistics, shipping and basic building materials (BBM) activities.

The Group owns and operates Changshu Xinghua Port (CXP), a multi-purpose port located at the gateway to the dynamic Yangtze River delta. One of China's busiest river ports, it has eight berths and a total berth length of 1.7 km. CXP's berths can handle vessels up to 70,000 dwt.

As a leading regional shipping group, its shipping division provides total solutions for its customers. It owns and operates a fleet of tugboats and barges that specialise in bulk cargo transportation in South-east Asia and a container vessel.

The BBM division manufactures and supplies basic building materials such as cement, aggregate products, ready-mixed concrete, asphalt pre-mixed and refined petroleum products. As the largest cement and ready-mixed concrete supplier in Singapore, PUC is active in many major infrastructural developments, such as the MRT Downtown Line and the Marina Bay Financial Centre.

**FOR FURTHER ENQUIRIES**

<u>MS. JANE NG</u>	+65 6305 7398	PAN-UNITED CORPORATION <a href="mailto:jane.ng@panunited.com.sg">jane.ng@panunited.com.sg</a>
--------------------	---------------	--

<u>MS. HUANG YINGLING</u>	+65 9026 6839	OAKTREE ADVISERS <a href="mailto:yingling@oaktreadvisers.com">yingling@oaktreadvisers.com</a>
---------------------------	---------------	--

<u>MS. NORA CHENG</u>	+65 9634 7450	OAKTREE ADVISERS <a href="mailto:noracheng@oaktreadvisers.com">noracheng@oaktreadvisers.com</a>
-----------------------	---------------	--

Other media releases on the company can be accessed at [www.oaktreadvisers.com](http://www.oaktreadvisers.com)