



PAN-UNITED CORPORATION LTD

(Company Reg No: 199106524G)

FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	1Q 2013 \$'000	1Q 2012 \$'000	+ / (-) %
Revenue	167,025	162,232	3
Other income	904	820	10
Raw materials, subcontract costs and other direct costs	(126,485)	(125,190)	1
Staff costs	(8,175)	(6,920)	18
Depreciation expenses	(5,103)	(5,253)	(3)
Other expenses	(11,625)	(10,638)	9
Finance costs	(1,273)	(1,182)	8
	15,268	13,869	10
Share of results of associates	383	360	6
Profit before income tax	15,651	14,229	10
Income tax	(3,455)	(3,109)	11
Profit for the period, net of tax	12,196	11,120	10
Profit attributable to:			
Equity holders of the Company	10,297	9,531	8
Non-controlling interests	1,899	1,589	20
	12,196	11,120	10

Notes to the income statement

A. Profit before income tax is arrived at after crediting/ (charging) the following:	Group		
	1Q 2013 \$'000	1Q 2012 \$'000	+ / (-) %
Interest income from external parties	99	129	(23)
Interest expense on bank loans	(1,195)	(1,151)	4
Dividend income from investments	379	28	nm
Write-back for doubtful debts on trade receivables	67	106	(37)
Inventories written down	-	(74)	nm
Foreign exchange gain	197	103	91
Fair value adjustments on investments held for trading	(51)	209	(124)
Gain on disposal of vessels, property, plant and equipment	20	-	nm
Write-off of vessels, property, plant and equipment	(18)	(243)	(93)

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.

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31 Mar 2013 \$'000	31 Dec 2012 \$'000	31 Mar 2013 \$'000	31 Dec 2012 \$'000
Non-current assets				
Vessels, property, plant and equipment	281,128	273,641	448	487
Subsidiaries	-	-	84,721	91,411
Associates	5,905	5,104	-	-
Other investments	2,184	17,011	14	16
Other receivables	238	259	-	-
Goodwill	2,345	2,345	-	-
Deferred tax assets	755	755	-	-
	<u>292,555</u>	<u>299,115</u>	<u>85,183</u>	<u>91,914</u>
Current assets				
Cash and short-term deposits	98,714	90,361	68,501	60,435
Trade and other receivables	159,834	153,505	2,857	2,693
Prepayments	2,801	2,526	88	130
Work-in-progress	3,457	997	-	-
Inventories	20,364	20,740	-	-
	<u>285,170</u>	<u>268,129</u>	<u>71,446</u>	<u>63,258</u>
Current liabilities				
Bank loans	1,476	1,264	-	-
Payables and accruals	100,014	108,821	1,832	2,354
Deferred income	3,967	4,371	-	-
Provisions	1,084	1,308	-	-
Income tax payable	14,153	11,821	-	-
	<u>120,694</u>	<u>127,585</u>	<u>1,832</u>	<u>2,354</u>
Net current assets	<u>164,476</u>	<u>140,544</u>	<u>69,614</u>	<u>60,904</u>
Non-current liabilities				
Bank loans	71,000	69,580	-	-
Deferred tax liabilities	5,415	5,300	-	-
Deferred income	1,572	1,541	-	-
Other liabilities	543	540	-	-
Provisions	3,050	3,050	-	-
	<u>81,580</u>	<u>80,011</u>	<u>-</u>	<u>-</u>
Net assets	<u>375,451</u>	<u>359,648</u>	<u>154,797</u>	<u>152,818</u>
Equity attributable to equity holders of the Company				
Share capital	89,391	88,323	89,391	88,323
Treasury shares	-	(1,054)	-	(1,054)
Reserves	242,562	231,581	65,406	65,549
	<u>331,953</u>	<u>318,850</u>	<u>154,797</u>	<u>152,818</u>
Non-controlling interests	<u>43,498</u>	<u>40,798</u>	<u>-</u>	<u>-</u>
Total equity	<u>375,451</u>	<u>359,648</u>	<u>154,797</u>	<u>152,818</u>

Explanatory Notes to Statement of Financial Position

The decrease in other investments was due to \$14.8m of listed preference shares being redeemed upon its maturity in the quarter.

The Group's attributable net assets of \$332.0 million is made up of \$162.4 million from Basic Building Resources division, \$51.5 million from Shipping division, \$40.3 million from Port division and \$77.8 million comprising mainly other investments, cash and cash equivalents under Others.

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

	As at 31 Mar 2013		As at 31 Dec 2012	
	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000
Amount repayable in one year or less, or on demand	1,476	-	1,264	-
	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000
Amount repayable after one year	-	71,000	-	69,580

Details of any collateral

The secured short term bank loan is backed by a mortgage over certain assets of a foreign subsidiary.

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

	Group	
	1Q 2013 \$'000	1Q 2012 \$'000
Cash flows from operating activities		
Profit before income tax	15,651	14,229
Adjustments for:		
Depreciation expenses	5,103	5,253
Dividend income from other investments	(379)	(28)
Interest expense, net	1,096	1,022
Loss on write-off of vessels, property, plant and equipment	18	243
Gain on disposal of property, plant and equipment	(20)	-
Inventories written down	-	74
Changes in fair value of financial instruments	51	(209)
Share based payment expenses	55	37
Share of results of associated companies	(383)	(360)
Foreign exchange differences	(424)	312
Operating cash flows before working capital changes	20,768	20,573
(Increase) Decrease in:		
Trade receivables and other receivables	(6,308)	(14,618)
Prepayments	(275)	(745)
Inventories and work-in-progress	(2,084)	3,905
Increase (Decrease) in:		
Trade payables and accruals	(9,031)	1,705
Deferred income	(373)	562
Cash flow generated from operating activities	2,697	11,382
Interest paid	(1,195)	(1,151)
Income tax paid	(1,008)	(733)
Interest received	99	129
Net cash flows generated from operating activities	593	9,627
Cash flows from investing activities		
Acquisition of property, plant and equipment	(9,407)	(8,988)
Investments	(312)	(2)
Proceeds from disposal of property, plant and equipment	20	32
Deposits received in relation to disposal of vessels	-	6,050
Proceeds from disposal of other investments	14,780	-
Dividend income from associated companies	-	404
Dividend income from other investments	379	28
Net cash flows from/(used in) investing activities	5,460	(2,476)
Cash flows from financing activities		
Proceeds from bank borrowings	204	-
Proceeds from issuance of share capital	913	-
Proceeds from reissuance of treasury shares	908	-
Contribution from non-controlling interests	-	1,530
Net cash from financing activities	2,025	1,530
Net increase in cash and cash equivalents	8,078	8,681
Cash and cash equivalents as at beginning of period	90,361	91,191
Effects of exchange rate changes on opening cash and cash equivalents	275	(482)
Cash and cash equivalents as at end of period	98,714	99,390

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.

STATEMENT OF COMPREHENSIVE INCOME

	Group		
	1Q 2013 \$'000	1Q 2012 \$'000	+ / (-) %
Profit for the period, net of tax	12,196	11,120	10
Other comprehensive income:			
Foreign currency translation	1,731	(2,504)	(169)
Other comprehensive income for the period, net of tax	1,731	(2,504)	(169)
Total comprehensive income for the period	13,927	8,616	62
Total comprehensive income attributable to:			
Equity holders of the Company	11,227	8,232	36
Non-controlling interests	2,700	384	603
	13,927	8,616	62

STATEMENTS OF CHANGES IN EQUITY

GROUP	Attributable to equity holders of the Company						Non-controlling interests \$'000	Total equity \$'000	
	Share capital \$'000	Treasury shares	Capital reserve * \$'000	Foreign currency translation reserve \$'000	Accumulated Profits \$'000	Other reserves \$'000			Total reserves \$'000
Balance at 1 January 2013	88,323	(1,054)	3,000	(4,526)	231,867	1,240	231,581	40,798	359,648
Total comprehensive income for the period	-	-	-	930	10,297	-	11,227	2,700	13,927
Cost of share-based payment (share options)	-	-	-	-	-	55	55	-	55
Issue of shares under share option plan	1,068	-	-	-	-	(155)	(155)	-	913
Reissuance of treasury shares	-	1,054	-	-	-	(146)	(146)	-	908
Balance at 31 March 2013	89,391	-	3,000	(3,596)	242,164	994	242,562	43,498	375,451
Balance at 1 January 2012	88,104	-	3,000	(1,873)	208,197	739	210,063	42,841	341,008
Total comprehensive income for the period	-	-	-	(1,299)	9,531	-	8,232	384	8,616
Cost of share-based payment (share options)	-	-	-	-	-	37	37	-	37
Incorporation of a subsidiary	-	-	-	-	-	-	-	1,530	1,530
Conversion of loan to share capital	-	-	-	-	-	-	-	572	572
Balance at 31 March 2012	88,104	-	3,000	(3,172)	217,728	776	218,332	45,327	351,763
Note	* The capital reserve comprises the reserve fund, enterprise expansion fund and staff welfare fund transferred from retained earnings by a foreign subsidiary in compliance with statutory requirements.								

COMPANY	Share capital \$'000	Treasury shares	Accumulated profits \$'000	Other reserves \$'000	Total reserves \$'000	Total equity \$'000
Balance at 1 January 2013	88,323	(1,054)	64,309	1,240	65,549	152,818
Total comprehensive income for the period	-	-	103	-	103	103
Cost of share-based payment (share options)	-	-	-	55	55	55
Issue of shares under share option plan	1,068	-	-	(155)	(155)	913
Reissuance of treasury shares	-	1,054	-	(146)	(146)	908
Balance at 31 March 2013	89,391	-	64,412	994	65,406	154,797
Balance at 1 January 2012	88,104	-	66,841	739	67,580	155,684
Total comprehensive income for the period	-	-	(431)	-	(431)	(431)
Cost of share-based payment (share options)	-	-	-	37	37	37
Balance at 31 March 2012	88,104	-	66,410	776	67,186	155,290

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, shares buy-backs, exercise of shares options or wa shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

	1Q 2013 ended 31 Mar 2013	4Q 2012 ended 31 Dec 2012
Issued and fully paid ordinary shares :		
As at beginning of period	554,773,160	549,291,160
Issued during the period	1,480,000	-
Less: Purchase of treasury shares	-	(1,122,000)
Add: Treasury shares transferred to employees to fulfill obligations under the Pan-United Share Option Scheme	1,706,000	1,604,000
Add: Sale of Treasury shares	-	5,000,000
As at end of period	557,959,160	554,773,160

During the quarter ended 31 March 2013, the Company issued 1,480,000 new shares and transferred 1,706,000 treasury shares to employees for share options exercised pursuant to the Pan-United Share Option Scheme.

	As at 31 Mar 2013	As at 31 Dec 2012
The number of shares that may be issued on exercise of share options outstanding at the end of the period	5,836,000	9,022,000

1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at the end of the immediately preceding year.

	As at 31 Mar 2013	As at 31 Dec 2012
Total number of issued shares	557,959,160	556,479,160
Less: Treasury shares	-	(1,706,000)
Total number of issued shares excluding treasury shares	557,959,160	554,773,160

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

During the quarter ended 31 March 2013, 1,706,000 treasury shares were reissued to employees for share options exercised.

2 Whether the figures have been audited or reviewed, and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagement to Review Financial Statements), or an equivalent standard).

The figures have not been audited or reviewed by our auditors, Messrs Ernst & Young LLP.

3 Where the figures have been audited or reviewed the auditors' report (including any qualification or emphasis of 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 financial statements for the current reporting period compared with those of the audited financial statements as at 31 December 2012, except as disclosed in note 5 below.

5 If there are any changes in 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 Group has adopted all the applicable new/revised Financial Reporting Standards (FRS) that become effective for accounting periods beginning 1 January 2013. The adoption of these new/revised FRS does not have any material impact to the Group financial statements.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share for the period based on equity holders of the company	Quarter ended 31 March		
	2013	2012	Change
Based on weighted average number of ordinary shares in issue (in cents)	1.8	1.7	6%
On a fully diluted basis (in cents)	1.8	1.7	6%

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on (b) immediately preceding financial year.

	Group	Company
Net asset value per ordinary share based on issued share capital at 31 March 2013 (in cents)	59.5	27.7
Net asset value per ordinary share based on issued share capital at 31 December 2012 (in cents)	57.5	27.5

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.**

Review of 1Q 2013 Performance

The Group revenue increased by 3% year-on-year to \$167.0 million. Higher revenue was recognised primarily in Basic Building Resources (BBR) division. It was, however, partly reduced by lower trading activities from the Shipping division.

Group's attributable profit after tax to shareholders improved by 8% to \$10.3 million, due mainly to positive contribution from the Shipping division in the quarter compared to an operating loss last year.

Total overheads were higher in tandem with the level of activities in the quarter.

- 9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

- 10 A commentary at the date of the announcement of the 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.**

The BBR division expects to be busy on the back of the BCA forecast that demand for cement and ready-mixed concrete will be sustained at last year's level.

In the Port division, the Group continues to broaden its income base.

The Shipping division continues to focus on improving vessel utilisation and trading activities.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended 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/recommended, a statement to that effect.**

No dividend has been declared for the quarter ended 31 March 2013.

- 13 If the Group has obtained a general mandate from shareholders for interested person transactions ('IPT'), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from shareholders for interested person transactions. There was no interested person transaction as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, entered into by the Group or by the Company during the period ended 31 March 2013.

CONFIRMATION BY THE BOARD

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the quarter ended 31 March 2013 to be false or misleading.

BY ORDER OF THE BOARD

N. Shoba
Company Secretary
10 May 2013