PAN-UNITED CORPORATION LTD
(Company Registration No: 199106524G)
(Incorporated in the Republic of Singapore)

THE PROPOSED ACQUISITION OF SHARES REPRESENTING 36.00% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF SINGAPORE CHANGSHU DEVELOPMENT COMPANY PTE LTD

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1. INTRODUCTION

1.1 The Board of Directors of Pan-United Corporation Ltd (the "**Company**") wishes to announce that Pan-United Infrastructure Pte. Ltd. ("**PUI**"), a wholly-owned subsidiary of the Company, has, together with Petroships Investment Pte Ltd ("**Petroships**"), a private limited company incorporated in Singapore, on 14 August 2013 entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**") with Macquarie International Infrastructure Holding Limited ("**MIHL**"), a wholly owned subsidiary of Macquarie International Infrastructure Fund Limited ("**MIIFL**"), a mutual fund company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), in relation to the sale and purchase of 20,000,000 shares in the capital of Singapore Changshu Development Company Pte. Ltd. ("**SCDC**") (representing 40% of the total issued shares of SCDC) (the "**Sale Shares**").

1.2 Pursuant to the Sale and Purchase Agreement:

(a) MIHL will sell to PUI, and PUI will purchase 18,000,000 shares in the capital of SCDC (representing 36% of the total issued shares of SCDC) ("**PUI Sale Shares**") for a cash consideration of S$100,980,000 (the "**Proposed Acquisition**"); and

(b) MIHL will sell to Petroships, and Petroships will purchase 2,000,000 shares in the capital of SCDC (representing 4% of the total issued shares of SCDC) for a cash consideration of S$11,220,000,

((a) and (b), collectively, the "**Transaction**").

Completion of the Proposed Acquisition is subject to the satisfaction of the condition precedent set out in Section 5 of this Announcement.

2. INFORMATION REGARDING SCDC

2.1 SCDC's primary investment is its 95% shareholding interest in Changshu Xinghua Port Co., Ltd ("**CXP**"), a company incorporated in the People's Republic of China ("**PRC**"). CXP operates a multi-purpose cargo port centrally located within the Yangtze River Delta Industrial Zone, 90 kilometres west of Shanghai. As at the date hereof, PUI owns 27,000,000 shares in the capital of SCDC (representing 54% of the total issued shares of SCDC) and Petroships owns 3,000,000 shares in the capital of SCDC (representing 6% of the total issued shares of SCDC). The group net tangible asset value of SCDC based on the audited financial statements as at 31 December 2012, prepared on a historical cost basis, was approximately S$69.4 million.

2.2 Under the terms of a Joint Venture Deed dated 24 October 2005 between the Company, MIHL, MIIFL and SCDC, the Company has pre-emptive rights in the event that MIHL wishes to transfer the entire legal and beneficial ownership of all of its shares in SCDC.

2.3 On completion of the Transaction, PUI will hold 45,000,000 shares in the capital of SCDC (representing 90% of the total issued shares of SCDC) and Petroships will own 5,000,000 shares in the capital of SCDC (representing 10% of the total issued shares of SCDC).

3. RATIONALE FOR THE PROPOSED ACQUISITION

3.1 The Proposed Acquisition is in line with the Company's objective of expanding its port and logistics business. Further, CXP has been profit making for the past 12 years and the Company believes that barring unforeseen circumstances, CXP has the potential for long term growth in revenue and profitability, and thus the Company and its subsidiaries (the "**Group**") will be able to derive additional income as a result of obtaining greater control over SCDC.

3.2 The board of directors of the Company is of the view that acquiring MIHL's stake in SCDC is in the best interests of the Group as there may be a risk that the Sale Shares may otherwise be sold to a third party which the Company has no prior working relationship with and which may not form a good strategic partnership with the Company.

4. CONSIDERATION

4.1 The consideration for the Proposed Acquisition (the "**Consideration**") is S$100,980,000 which was arrived at after negotiation on an arm's length basis and on a willing-buyer, willing-seller basis.

4.2 In arriving at the Consideration, the board of directors of the Company had taken into account, *inter alia*, the following factors:

(a) the business prospects of CXP; and

(b) the rationale for the Proposed Acquisition as disclosed in Section 3 above.

4.3 The Company intends to fund the Proposed Acquisition through internally generated funds and external financing.

5. CONDITIONS

5.1 Completion under the Sale and Purchase Agreement ("**Completion**") is conditional upon the shareholders of MIIFL in a general meeting passing resolution(s) approving the sale by MIHL of the Sale Shares in accordance with the terms of the Sale and Purchase Agreement.

5.2 If the condition stated in paragraph 5.1 shall not be fulfilled on or before 30 September 2013 or such other date as the parties to the Sale and Purchase Agreement may mutually agree in writing, the Sale and Purchase Agreement shall *ipso facto* cease and determine and no party shall have any claim against any other party for costs, damages, compensation or otherwise.

5.3 The date for Completion is the date falling one (1) business day after the date on which the condition set out in paragraph 5.1 above is fulfilled or such other date as PUI, MIHL and Petroships may mutually agree in writing.

6. <u>FINANCIAL EFFECTS</u>

6.1 Assumptions

The financial effects of the Proposed Acquisition on the Group as set out below are for illustrative purposes only. The financial effects of the Proposed Acquisition have been prepared based on the following assumptions:

(a) based on the last audited consolidated financial statements of the Group for the financial year ended 31 December 2012 (being the most recent available audited consolidated financial statements of the Group);

(b) for the purposes of illustrating the financial effects of the Proposed Acquisition on the net tangible assets ("**NTA**") per ordinary share in the share capital of the Company ("**Share**") of the Group, it is assumed that the Proposed Acquisition has been completed on 31 December 2012;

(c) for the purposes of illustrating the financial effects of the Proposed Acquisition on the earnings per Share ("**EPS**") of the Group, it is assumed that the Proposed Acquisition has been completed on 1 January 2012;

(d) the NTA per Share and EPS of the Group are computed based on 559,330,160 Shares as at the date of this Announcement; and

(e) the financial effects of the Proposed Acquisition are purely for illustrative purposes only and are neither indicative of the actual financial effects of the Proposed Acquisition on the NTA per Share and EPS of the Group, nor do they represent the future financial performance and/or position of the Group immediately following the completion of the Transactions.

6.2 Financial Effects

(a) Tangible Assets

On the bases and assumptions set out above, the financial effects of the Proposed Acquisition on (i) the NTA of the Group and (ii) the NTA per Share as at 31 December 2012 are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S$'000)	316,505	240,520
NTA per Share (S$)	0.57	0.43

(b) Earnings per Share

On the bases and assumptions set out above, the financial effects of the Proposed Acquisition on the EPS of the Group as at 31 December 2012 are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Attributable profits after tax to shareholders (S$'000)	43,065	45,692
EPS (Singapore cents)	7.7	8.2

7. RELATIVE FIGURES OF THE PROPOSED ACQUISITION UNDER CHAPTER 10 OF THE LISTING MANUAL

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST (the "**Listing Manual**") for the Proposed Acquisition are as follows:

Rule 1006	Bases	Relative Figure
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable as the Proposed Acquisition is an acquisition of assets.
(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits[(1)]	10.7%[(2)]
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation[(3)]	20.1%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable as no equity securities are issued by the Company in connection with the Proposed Acquisition.

Notes:

(1) The net profits (being profit before income tax, minority interests and exceptional items) of the Group based on the unaudited financial results of the first half year of the financial year ending 31 December 2013 of the Group announced on 14 August 2013 was S$30,853,000.

(2) The net profits (being profit before income tax, minority interests and exceptional items) attributable to the PUI Sale Shares based on the unaudited financial results of the first half year of the financial year ending 31 December 2013 of the Group announced on 14 August 2013 was S$3,303,000.

(3) The relative figures are calculated based on the Company's market capitalisation of S$501,495,421 as at the market day preceding the date of the Sale and Purchase Agreement.

As the relative figure of the Proposed Acquisition computed on the base set out in Rule 1006(c) of the Listing Manual exceeds 20%, the Proposed Acquisition constitutes a "Major Transaction" under Rule 1014 of the Listing Manual. The Company had applied for a waiver from the requirement to seek shareholders' approval for the Proposed Acquisition under Rule 1014(2) of the Listing Manual, for the following reasons:

(a) the Company is of the view that the relative figure of the Proposed Acquisition computed on the base set out in Rule 1006(c) of the Listing Manual exceeding 20% is due to a short-term blip in the share price of the Company resulting from recent market volatility;

(b) the Proposed Acquisition will not result in a material change to the nature of the Group's businesses as PUI currently owns and controls 54% of SCDC;

(c) the Proposed Acquisition will not substantially change the Group's risk profile;

(d) the Proposed Acquisition is likely to be foreseeable or anticipated by the market, given that, *inter alia*, the Company is presently the majority shareholder of SCDC and the Proposed Acquisition would be in line with the Company's objective of expanding its port and logistics business; and

(e) the Proposed Acquisition has the support of the controlling shareholders of the Company who in aggregate control approximately 68.23% of the Company.

The SGX-ST has confirmed that it has no objection to the Company's application for the waiver, subject to:

(i) the Company making an announcement via SGXNET of the waiver granted, the reasons for seeking the waiver and the conditions as required under Rule 107 of the Listing Manual; and

(ii) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company.

8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Transaction. No person is proposed to be appointed as a director of the Company in connection with the Transaction.

9. CAUTION

Shareholders of the Company and investors should note that completion of the Proposed Acquisition is subject to, *inter alia*, the fulfilment of the condition precedent set out in Section 5 of this Announcement in accordance with the Sale and Purchase Agreement. Shareholders of the Company and investors are therefore advised to exercise caution in their dealings in the Shares.

10. DOCUMENTS FOR INSPECTION

A copy of the Sale and Purchase Agreement is available for inspection at the registered office of the Company at 7 Temasek Boulevard, #16-01 Suntec Tower One, Singapore 038987 during normal business hours for a period of three (3) months commencing from the date of this announcement.

By Order of the Board

N. Shoba
Company Secretary
Date : 14 August 2013

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and the Company does not undertake any obligation to update publicly or revise any forward-looking statements.