

Pan-United posts \$32.4m net attributable profit; maintains final dividend for FY2014

- ◆ Revenue of \$763.2m up 5% in FY2014, led by all three divisions
- ◆ CCIP profitable in FY2014, surpassing Group's target of halving its loss; sees continued healthy throughput for Port division in FY2015
- ◆ Proposed final dividend of 2.75 S¢/share brings total dividend for FY2014 to 4.25 S¢/share, unchanged from last year's level

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For immediate release

Pan-United Corporation Ltd (PanU, the Group or 泛联集团), an integrated resource development and logistics group in Asia, achieved a 5% rise in revenue to \$763.2 million for the financial year ended 31 December 2014 (FY2014). The increase was due largely to improved cargo throughput at both Changshu Xinghua Port Co., Ltd (CXP) and the adjacent Changshu Changjiang International Port Co., Ltd (CCIP), stronger coal and aggregates trading activities in the Shipping division, as well as higher sales volume of ready-mixed concrete (RMC) and cement.

For the Port division, CCIP turned profitable in FY2014, surpassing PanU's target of halving its loss for the year. As a result, net attributable profit in FY2014 came to \$32.4 million as higher contribution from the Port division helped to partially cushion the impact of compressed margins and higher operating costs in its Basic Building Resources (BBR) division.

The Board has proposed a final dividend of 2.75 S¢, which would bring the total to 4.25 S¢ for FY2014, unchanged from that of FY2013.

Ms May Ng (黄美美), the Group's Chief Executive Officer, said: "Despite headwinds in our Singapore market, the Group remains profitable and has done especially well in the integration of its two ports."

The headwinds in the BBR sector include competitive pricing, tight labour supply and productivity challenges. These impacted PanU's net attributable profit in the second half of the year.

Commenting on the Group's prospects, Ms Ng said: "The difficult market conditions in Singapore will persist, but we will remain focused on growing shareholder value through strategic expansion of our core businesses in Singapore and the region.

"Our two ports strategically located in the Yangtze River delta serve the most industrialized belt in China. We expect firm cargo throughput growth in the year from all our cargo types."

Over the year, PanU's net gearing edged up to 0.7 times at end-December 2014 mainly due to the acquisition of CCIP in March 2014 and capacity expansion in its BBR division.

ABOUT THE COMPANY

www.panunited.com.sg ◆ SGX mainboard listing: December 1993

Pan-United Corporation Ltd (PanU), one of Asia's modern and dynamic enterprises, has an integrated building materials resource business and a shipping arm, and also owns and operates Changshu Xinghua Port (CXP) in Changshu, Jiangsu Province, China.

The Group currently holds an 85.5% beneficial stake in CXP. In line with its strategy to reinvest profits from the Port division for long-term growth, PanU, via CXP in March 2014, acquired a 90% interest in Changshu Changjiang International Port Co., Ltd (CCIP), a port located right next to CXP.

The Group's Basic Building Resources division is the largest cement and ready-mixed concrete supplier in Singapore and also one of the leading aggregates quarry operators in Southeast Asia. It supplies these basic building materials to both public and private sector projects in Singapore. The division has operations in Singapore, Vietnam, Malaysia and Indonesia.

The Shipping division operates a fleet of young tugboats and barges, which ply Southeast Asia, shipping and supplying coal, gypsum, sand and aggregates.

Under the Group's Port division, CXP has grown rapidly to become one of China's top 10 river ports. Following the CCIP acquisition, it now has an enlarged port whose overall handling capacity has risen by 60% to 16.0 million tons per annum and berth length has increased by 65% to 2.8km.



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