

**MINUTES OF 31ST ANNUAL GENERAL MEETING**

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**PLACE** : Suntec Singapore Convention and Exhibition Centre, Meeting Room 325-326, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593

**DATE** : 20 April 2023

**TIME** : 10.00 a.m.

**PRESENT** : Please refer to the Attendance Sheet

**CHAIRMAN OF THE MEETING** : Mr Patrick Ng Bee Soon

**CHAIRMAN**

Mr Patrick Ng Bee Soon, the Deputy Chairman of the Board presided as Chairman of the Company's 31st Annual General Meeting (AGM or the Meeting). The Chairman welcomed all shareholders present at the Company's AGM. Thereafter, he informed that Mr Tay Siew Choon, the Chairman of the Board and Independent Director, was unable to attend the AGM due to health reason and Mr Tay has participated in the Meeting via electronic means. He further introduced the Directors, Chief Executive Officer (CEO), Company Secretary and External Auditor present at the AGM.

**QUORUM**

Having ascertained that a quorum was present, the Chairman called the Meeting to order at 10.03 a.m..

**NOTICE OF MEETING**

With the consent of the shareholders, the Notice of AGM dated 5 April 2023 was taken as read.

A corporate video of the highlights and initiatives undertaken by the Group in the year ended 31 December 2022 was then shared followed by presentation slides by the CEO, Ms Ng Bee Bee.

**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS**

The Chairman informed the Meeting that the Company had published the responses to the substantial and relevant questions received from the shareholders and the Securities Investors Association (Singapore) by 5.00 p.m. on 12 April 2023 on the Company's corporate website and through SGXNet on 14 April 2023. A copy of the publication is annexed hereto as **Appendix 1** to these minutes.

The Chairman informed shareholders that the Company did not receive any more pre-submitted questions after the 12 April 2023 deadline. The Chairman further announced the Question-and-Answer Session be opened to the shareholders to address any substantial and relevant questions during the Meeting.

The Directors and CEO then proceeded to address the substantial and relevant questions received during the Meeting. A copy of the Company's responses to such substantial and relevant questions during the Question-and-Answer Session is attached as **Appendix 2** to these minutes.

## **RESOLUTIONS TO BE VOTED BY POLL**

The Chairman informed the shareholders that all proposed resolutions will be voted by poll.

The shareholders were also informed that DrewCorp Services Pte Ltd and Boardroom Corporate & Advisory Services Pte Ltd have been appointed as Scrutineer and Polling Agent respectively.

The Chairman advised the shareholders that the number of votes for and against each motion from all proxy forms, which were submitted 72 hours before the Meeting, has been verified by the Scrutineers and the poll results will be announced after each motion has been voted.

There was a video demo shown to the shareholders on how to use the handset devices for the poll. All shareholders went through a Test Resolution during the AGM.

Thereafter, the Chairman proceeded with the business of the AGM.

## **ORDINARY BUSINESS**

### **1. DIRECTORS' STATEMENT, AUDITED FINANCIAL STATEMENTS AND AUDITOR'S REPORT**

The first item on the Agenda was to receive and consider the Directors' Statement and Audited Financial Statements for the year ended 31 December 2022 and the Auditor's Report thereon.

The Chairman proposed to the shareholders that the Chairman's Message, Directors' Statement and Auditor's Report be taken as read and there was no objection from the shareholders.

The motion was duly proposed by a shareholder and seconded by another shareholder.

The Chairman then put the motion to vote. The results of Resolution 1, taken on a poll, were as follows:-

<b>For</b>		<b>Against</b>	
Votes	%	Votes	%
540,018,694	100.00	10,000	0.00

By a clear majority of votes cast in favour of the motion, the Chairman declared the motion carried.

**IT WAS RESOLVED** that the Directors' Statement and Audited Financial Statements of the Company for the year ended 31 December 2022 together with the Auditor's Report thereon be received and adopted.

### **2. FINAL DIVIDEND**

The second item on the Agenda was to approve the payment of the final dividend of \$0.013 per ordinary share (one-tier tax exempt) for the year ended 31 December 2022. The final dividend, if approved by the shareholders, would be paid on 12 May 2023.

The motion was duly proposed by the Chairman and seconded by a shareholder.

The Chairman then put the motion to vote. The results of Resolution 2, taken on a poll, were as follows:-

<b>For</b>		<b>Against</b>	
Votes	%	Votes	%
540,011,994	100.00	10,000	0.00

By a clear majority of votes cast in favour of the motion, the Chairman declared the motion carried.

**IT WAS RESOLVED** that the payment of the final dividend of \$0.013 per ordinary share (one-tier tax exempt) for the year ended 31 December 2022 be approved.

### 3. RE-ELECTION OF DIRECTOR

- Mr Patrick Ng Bee Soon

Mr Patrick Ng Bee Soon, who was retiring under Regulation 89 of the Company's Constitution, had consented to continue in office.

Since Resolution 3 is on re-election of Mr Patrick Ng Bee Soon, the Chairman handed over the Chair to the CEO, Ms Ng Bee Bee.

On a proposal by a shareholder which was seconded by another shareholder, the motion was put to vote by way of a poll. The results of Resolution 3, taken on a poll, were as follows:-

<b>For</b>		<b>Against</b>	
Votes	%	Votes	%
503,433,858	99.69	1,565,799	0.31

By a clear majority of votes cast in favour of the motion, the CEO declared the motion carried.

**IT WAS RESOLVED** that Mr Patrick Ng Bee Soon be re-elected as a Director of the Company.

The Chair was handed back to the Chairman.

### 4. RE-ELECTION OF DIRECTOR

- Mr Fong Yue Kwong

Mr Fong Yue Kwong, who was retiring under Regulation 89 of the Company's Constitution, had consented to continue in office.

On a proposal by a shareholder which was seconded by another shareholder, the motion was put to vote by way of a poll. The results of Resolution 4, taken on a poll, were as follows:-

<b>For</b>		<b>Against</b>	
Votes	%	Votes	%
539,781,694	99.99	30,000	0.01

By a clear majority of votes cast in favour of the motion, the Chairman declared the motion carried.

**IT WAS RESOLVED** that Mr Fong Yue Kwong be re-elected as a Director of the Company.

## 5. DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023

The Board had recommended the payment of Directors' fees of S\$335,500.00 for the financial year ending 31 December 2023.

The motion was duly proposed by a shareholder and seconded by another shareholder.

The Chairman then put the motion to vote. The results of Resolution 5, taken on a poll, were as follows:-

For		Against	
Votes	%	Votes	%
528,299,092	99.98	79,300	0.02

By a clear majority of votes cast in favour of the motion, the Chairman declared the motion carried.

**IT WAS RESOLVED** that the Directors' fees of S\$335,500.00 for the financial year ending 31 December 2023 be approved for payment.

## 6. RE-APPOINTMENT OF AUDITOR

The Chairman informed the Meeting that Ernst & Young LLP had expressed their willingness for re-appointment as Auditor of the Company.

The motion was duly proposed by the Chairman and seconded by a shareholder.

The Chairman then put the motion to vote. The results of Resolution 6, taken on a poll, were as follows:-

For		Against	
Votes	%	Votes	%
538,765,895	99.71	1,575,499	0.29

By a clear majority of votes cast in favour of the motion, the Chairman declared the motion carried.

**IT WAS RESOLVED** that Ernst & Young LLP be re-appointed as Auditor of the Company until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.

## **SPECIAL BUSINESS**

The Chairman proceeded to deal with the special business of the Meeting.

## 7. GENERAL AUTHORITY TO ISSUE SHARES

The following motion, duly proposed by a shareholder and seconded by another shareholder, was put to vote by way of a poll.

The results of Resolution 7, taken on a poll, were as follows:-

For		Against	
Votes	%	Votes	%
540,134,344	99.95	292,050	0.05

By a clear majority of votes cast in favour of the motion, the Chairman declared the motion carried.

## IT WAS RESOLVED:

That authority be and is hereby given, pursuant to Section 161 of the Singapore Companies Act 1967 (the Companies Act) and Rule 806 of the listing manual (the Listing Manual) of Singapore Exchange Securities Trading Limited (the SGX-ST), to the directors of the Company to:

- a
  - i issue shares in the capital of the Company (Shares) whether by way of rights, bonus or otherwise; and/or
  - ii make or grant offers, agreements or options (collectively, Instruments) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and

- b (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the directors of the Company while this Resolution was in force,

provided that:

- A the aggregate number of Shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of any Instruments made or granted pursuant to this Resolution) does not exceed 50 per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph B below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of any instruments made or granted pursuant to this Resolution) does not exceed 10 per centum (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph B below);
- B (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph A above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of this Resolution is passed, after adjusting for:
  - i new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards; and
  - ii any subsequent bonus issue, consolidation or subdivision of Shares;

provided that adjustments in accordance with i and ii above are only made in respect of new shares arising from convertible securities, share options, or share awards which were issued and outstanding or subsisting at the time this Resolution is passed.

- C in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being; and
- D (unless revoked or varied by the Company in a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company (Annual General Meeting) or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier.

## 8. RENEWAL OF THE SHARE BUYBACK MANDATE

The following motion, duly proposed by a shareholder and seconded by another shareholder, was put to vote by way of a poll.

The results of Resolution 8, taken on a poll, were as follows:-

For		Against	
Votes	%	Votes	%
538,860,595	99.71	1,565,799	0.29

By a clear majority of votes cast in favour of the motion, the Chairman declared the motion carried.

### IT WAS RESOLVED:

That

- a for the purposes of the Companies Act, the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire issued and fully paid ordinary Shares not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- i market purchase(s) (each a Market Purchase) on the SGX-ST; and/or
- ii off-market purchase(s) (each an Off-Market Purchase) in accordance with any equal access scheme(s) as may be determined or formulated by the directors of the Company, as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the Share Buyback Mandate);

- b the authority conferred on the directors of the Company pursuant to the Share Buyback Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

- i the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- ii the date on which the share buybacks by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
- iii the date on which the authority contained in the Share Buyback Mandate is revoked or varied by the Company in a general meeting;

- c in this Resolution:

“Average Closing Market Price” means the average of the closing market prices of a Share over the last five (5) Trading Days on which transactions in the Shares were recorded, preceding the day of the Market Purchase (which is deemed to be adjusted for any corporate action that occurs during such five (5)-Trading Day period and the day on which the Market Purchase was made);

“day of making of the offer” means the day on which the Company announces its intention to

make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“Highest Last Dealt Price” means the highest price transacted for a Share as recorded on the Trading Day on which there were trades in the Shares immediately preceding the day of making the offer pursuant to the Off-market Purchase;

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- i in the case of a Market Purchase, 105 per centum (105%) of the Average Closing Market Price; and
- ii in the case of an Off-Market Purchase, pursuant to an equal access scheme, 120 per centum (120%) of the Highest Last Dealt Price;

“Maximum Limit” means that number of issued Shares representing 10 per centum (10%) of the total number of issued Shares in the Company as at the date of passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings as at that date); and

“Trading Day” means a day on which the Shares are traded on the SGX-ST; and

- d the directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

#### **9. APPROVAL OF THE AWARD OF FULLY PAID SHARES OF THE COMPANY TO THE NAMED NON-EXECUTIVE DIRECTORS**

The last item on the Agenda was to seek shareholders’ approval for the award of 30,000 fully paid shares of the Company under the Pan-United Share Plan to each of the following non-executive directors:

Mr Tay Siew Choon  
Mr Soh Ee Beng  
Mr Fong Yue Kwong

The Chairman proposed the motion and a shareholder seconded the motion. The Chairman then put the motion to vote.

The results of Resolution 9, taken on a poll, were as follows:-

<b>For</b>		<b>Against</b>	
Votes	%	Votes	%
534,542,144	99.26	3,985,750	0.74

By a clear majority of votes cast in favour of the motion, the Chairman declared the motion carried.

**IT WAS RESOLVED** that approval be hereby given for the award of 30,000 fully paid shares of the Company under the Pan-United Share Plan to each of the following non-executive directors:

Mr Tay Siew Choon  
Mr Soh Ee Beng  
Mr Fong Yue Kwong

## **CONCLUSION**

There being no other business, the AGM concluded at 11.49 a.m. and the Chairman thanked the shareholders for their attendance.

**Confirmed as a true record of proceedings**

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**PATRICK NG BEE SOON**  
**CHAIRMAN OF THE MEETING**





**PAN-UNITED CORPORATION LTD**

(Incorporated in the Republic of Singapore)

(Company Registration No: 199106524G)

**RESPONSES TO QUESTIONS RECEIVED FROM SHAREHOLDERS AND THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE) PRIOR TO THE COMPANY'S ANNUAL GENERAL MEETING**

The Board of Directors of Pan-United Corporation Ltd (the "Company", and together with its subsidiaries, the "Group") wishes to provide the following information in response to questions received from shareholders of the Company and the Securities Investors Association (Singapore) ("SIAS") prior to the upcoming annual general meeting for its financial year ended 31 December 2022 to be held on Thursday, 20 April 2023 at 10.00 am at Suntec Singapore Convention & Exhibition Centre, Meeting Room 325-326, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593.

**Questions from shareholders**

- 1. Pan-United is largely in the business of ready-made concrete (RMC) with a ~40% market share in Singapore. In the last few years, BCA is pushing for construction productivity improvements via Design for Manufacturing and Assembly (DfMA). There are various incentive schemes, for example the inclusion of DfMA adoption in government construction tenders. A portion of DfMA efforts is moving towards pre-cast concrete, for example Advanced Precast Concrete System (APCS) and Prefabricated Prefinished Volumetric Construction (PPVC). There are pros and cons when we compare pre-cast concrete and RMC. How does Management see the opportunities and threats towards this move by BCA towards pre-cast concrete?**

The DfMA method of construction is encouraged as it increases productivity. Notwithstanding, it does not reduce concrete consumption. Being the largest RMC supplier in Singapore, Pan-United will continue to supply our concrete and cement, including to pre-casters and PPVC operators. In addition, the PPVC construction method is presently only being used for building construction projects.

These construction methods will also allow Pan-United to introduce low-carbon concrete technologies to reduce embodied carbon in the built environment, while leveraging on their efficiency.

- 2. Please comment on the trend in average selling prices (ASPs) of RMC in the first three months of the year, as well as the outlook for ASPs going forward.**

The ASPs for the different geographies would differ as the market profiles and conditions vary. For Singapore, according to the latest figures reported by the Building and Construction Authority (BCA) published in March 2023, the selling price of RMC over the three months between December 2022 to February 2023 was about S\$118.00 per cubic metre (m<sup>3</sup>).

We do not provide guidance on ASPs. However, we do think that ASPs would continue to be affected by the challenging macroeconomic trends, such as the high energy costs, manpower cost, the volatility in the commodity prices and potential supply chain disruptions.

**3. Does the company have a healthy order book for the year ahead?**

According to BCA, the construction demand and RMC volume is expected to remain stable in 2023 and we have a healthy order book for 2023.

**4. Is the disposal of PT. Pacific Granitama expected to improve Pan-United's profitability going forward?**

The disposal of PT. Pacific Granitama has minimum impact to our profitability.

**Questions from SIAS**

**1. As shown in the corporate profile, the group is a leading global innovator in low-carbon concrete technology. As one of Asia's largest producers of low-carbon concrete, the company is committed to promoting sustainability and reducing carbon emissions in the concrete industry. The group has invested heavily in research and development as well as digital technologies to offer high-performance solutions that help decarbonise the environment.**

The group has committed to specific sustainability targets, including supplying only low-carbon concrete by 2030, offering carbon-neutral concrete products by 2040 and becoming a carbon-neutral RMC company by 2050.

For the financial year ended 31 December 2022, revenue increased by 20% to S\$703.3 million as the level of activities picked up after the easing of COVID measures. Profit attributable to equity holders of the company from continuing operations was S\$27.5 million, an increase of 42%.

**i. According to BCA statistics, the volume of RMC used in Singapore reached 11.6 million m<sup>3</sup> in 2022 and is estimated to reach between 11.5 million m<sup>3</sup> and 12.5 million m<sup>3</sup> in 2023. Can management help shareholders understand if it had increased its market share during the pandemic?**

We have maintained our market share at about 40% over the years. We remain as Singapore's largest supplier of RMC and will work hard to continue preserving our market leadership in the industry.

**ii. How is the group managing supply chain disruptions and manpower constraints?**

We persist in our efforts to reduce costs and improve productivity. To manage supply chain disruptions, we adopt diversification policy and supply chain resilience. As for manpower constraints – job design, adoption of technology and process re-engineering are some of the strategies that we adopted.

**iii. Can management provide more information on the priorities for the company's operations in Malaysia and Vietnam?**

At present, we believe the economic outlook for Malaysia and Vietnam is still uncertain. We will adopt a more conservative approach in our business in these two countries.

- iv. **What has been the uptake of AiR Digital since its launch on the SAP Store in 2022, and what are some common user feedback?**

There have been active enquiries regarding our AiR Digital platform, and most of the potential customers can appreciate the value that our AiR Digital platform can bring to their operations. As our product is the first in the market, there is no benchmark for comparison in terms of value and pricing. We are in active discussions with a few potential customers from the region.

**The group supplied 360,000 m<sup>3</sup> of CO<sub>2</sub> mineralised concrete for the construction of the Phase One container berth project at Tuas Port in Singapore, which is the biggest volume for a single project in Singapore to date.**

- v. **Could management provide additional information about the benefits of using carbon dioxide (CO<sub>2</sub>) mineralised concrete over standard concrete, both in terms of cost and environmental impact? How mature are the carbon capture and utilisation (CCU) technologies (such as CO<sub>2</sub> mineralisation)?**

The process of creating our CO<sub>2</sub> mineralised concrete involves using CCU technology to embed waste industrial CO<sub>2</sub> within the concrete. While the adoption of CCU technology began as early as the 1950s, its application to concrete was relatively recent. In 2018, Pan-United became the first in Asia to utilise the CO<sub>2</sub> mineralisation technology for concrete production.

As part of our commitment to decarbonisation, we have invested in new technologies to produce CO<sub>2</sub> mineralised concrete and other low-carbon solutions to reduce embodied carbon emissions that would have otherwise been emitted during the construction of a building. We take a long-term view for such investments.

- vi. **Can management clarify whether there are any limitations or specific requirements for using CO<sub>2</sub> mineralised concrete in various applications, such as building height or load-bearing capacity?**

There are no limitations on the usage of CO<sub>2</sub> mineralised concrete. The requirements are subject to the same considerations as any other traditional or standard concrete.

**In the previous annual report, the company posed a rhetorical question: "If Singapore could use entirely low-carbon concrete to supply all of its built environment needs...", highlighting the potential environmental impact of switching to low-carbon concrete. It was estimated that such a shift would reduce the country's CO<sub>2</sub> emissions by 6%, equivalent to planting 51 million trees.**

- vii. **Could management elaborate on the main barriers preventing the company from achieving this goal, particularly in terms of cost? Are there any supply chain constraints, and if so, how can the group overcome them and capitalise on this opportunity?**

We believe that higher cost and lower awareness among stakeholders are the main barriers for the adoption of low-carbon concrete in Singapore. In terms of cost, we are actively innovating our products and usage of raw materials, as well as improving our process efficiency to reduce the cost of production. As the adoption of low-carbon concrete increases in the industry, we hope to leverage economies of scale to lower the cost for our customers in the future.

viii. How close is the group to achieving carbon-neutral concrete products, and what steps is it taking to reach this milestone?

Over the years, we have invested in extensive R&D to lay the foundation for Pan-United to be at the forefront of concrete technologies. Today, Pan-United has over 300 specialised concrete products, over half of which are low-carbon solutions. The Group aims to offer only low-carbon concrete by 2030 and we are on track to achieve our target.

2. Working capital increased by S\$31.1 million, mostly due to “trade and other receivables” and “other assets” increasing from S\$122.3 million to S\$149.5 million and from S\$2.9 million to S\$8.3 million respectively.

Details of the group’s trade and other receivables are shown in Note 18 (page 84; Trade and other receivables) and reproduced below:

18. Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Trade receivables	149,456	122,264	–	–
Amounts due from subsidiaries	–	–	47,147	43,183
Refundable deposits	3,185	2,888	–	1
Sundry receivables	357	322	–	–
	152,998	125,474	47,147	43,184
<b>Non-current</b>				
Refundable deposits	144	151	–	–
Total trade and other receivables	153,142	125,625	47,147	43,184
Add: Cash and cash equivalents (Note 20)	64,646	64,149	40,226	39,594
Total financial assets carried at amortised cost	217,788	189,774	87,373	82,778

(Source: company annual report; emphasis added)

The impairment assessment of trade receivables is also a key audit matter (KAM) highlighted by the independent auditors in their report on the audit of the financial statements. Key audit matters are those matters that, in the professional judgement of the Independent Auditor, were of most significance in the audit of the financial statements of the current period.

As noted in the KAM, as at 31 December 2022, gross trade receivables of the group and allowance for expected credit losses (ECL) amounted to S\$151.6 million and S\$2.2 million (2021: S\$124.2 million and S\$2.0 million) respectively. Trade receivables were significant to the group as they represented 35% of the group’s total assets (2021: 31%). The collectability of these trade receivables was a key element of the group’s working capital management and was managed on an ongoing basis by the management (page 47).

The company's annual report provides a provision matrix based on geography and aging for the group's trade receivables in Note 35(c) under Financial risk management objectives and policies: Credit risk (page 97).

Summarised below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix, grouped by geographical region:

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	91 to 120 days past due	More than 120 days past due	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>31 December 2022</b>							
<b>Singapore</b>							
Gross carrying amount	73,705	42,207	11,291	544	208	659	128,614
Allowance for impairment	–	(10)	(8)	–	(169)	(658)	(845)
Net carrying amount	73,705	42,197	11,283	544	39	1	127,769
<b>Other geographical areas</b>							
Gross carrying amount	12,998	4,280	2,363	1,009	320	2,022	22,992
Allowance for impairment	–	(11)	(22)	(14)	(2)	(1,256)	(1,305)
Net carrying amount	12,998	4,269	2,341	995	318	766	21,687
<b>31 December 2021</b>							
<b>Singapore</b>							
Gross carrying amount	62,568	34,088	10,547	728	24	569	108,524
Allowance for impairment	–	(2)	(6)	–	–	(541)	(549)
Net carrying amount	62,568	34,086	10,541	728	24	28	107,975
<b>Other geographical areas</b>							
Gross carrying amount	10,161	1,482	359	428	818	2,465	15,713
Allowance for impairment	–	–	–	(1)	(1)	(1,422)	(1,424)
Net carrying amount	10,161	1,482	359	427	817	1,043	14,289

(Source: company annual report)

- Has the management encountered delays in collecting trade receivables?
- What are the profiles of the customers with outstanding trade receivables that are past due by up to 60 days?
- What actions has management taken to recover these outstanding debts?

The allowance for impairment for customers outside of Singapore is disproportionately large.

- How does management assess the creditworthiness of its customers outside of Singapore?

A large part of the receivables is in Singapore, which has increased year-on-year mainly due to higher revenue. We have not encountered significant delays in collections.

Our customers are mainly contractors and we have been working hard to manage our trade receivables by only dealing with creditworthy third parties. We have put in place a customer evaluation process for the Group, including the overseas operations.

- Would the executive committee or the audit committee consider reviewing the credit criteria for foreign customers based on the group's historical credit loss experience, and potentially tightening the credit risk framework to mitigate credit risk?

We are mindful of the need to manage our financial risk, which includes credit risk, in a prudent manner. As at 31 December 2022, there was no significant concentration of credit risk. The good credit history of our customers reduces the risk to the Group to an acceptable level. The Audit Committee and Board of Directors review our risk management policies and procedures, as well as our exposure and risk profile, on an ongoing basis. We will take necessary steps to mitigate not just credit risk, but also financial risk, if and when required.

3. **As noted in the corporate governance report, the board has adopted a Board diversity policy, recognises that a diverse board is an important element which will better support the company in attaining its strategic objectives and sustainable development.**

The nominating committee (NC), in its annual review of the appropriate size and composition of the board, may make recommendations to the board for new board appointments.

The NC will take the lead in identifying, evaluating and selecting suitable candidates as new directors for the Board's consideration, based on a selection criterion which includes integrity, expertise, industry experience and financial literacy.

The NC may engage, if necessary, external search consultants or other advisers to assist in identifying and short-listing of potential candidates.

**i. Can the NC elaborate further on how it identifies suitable director candidates?**

The NC takes the lead in identifying and evaluating suitable candidates based on selection criteria determined in consultation with the Board.

These criteria include integrity, expertise, industry experience and financial literacy, thereby allowing the Board to select candidates with the appropriate level of expertise and experience.

The selection and nomination process involve taking into consideration the skills, expertise and attributes of the existing board members. The NC also gives due consideration to ensuring board diversity. Pan-United adopts a Board Diversity Policy that aims to increase stakeholder representation and reduce groupthink. When reviewing and assessing the composition of the Board, the NC considers all aspects of diversity, such as skillsets, experience, background, gender, age, tenure of service, amongst other personal qualities.

Lastly, the NC verifies that potential director candidates maintain a strong independent element that would not compromise their objectivity while carrying out their responsibilities. This includes assessing factors such as financial ties, past associations, business dealings, shareholder representation, financial dependence, and current or past relationship(s) with the company and/or its management.

Candidates will then be selected based on the requisite skills, expertise, independence and experience to add to the diversity of the Board and to support the Group's strategies and vision.

**ii. How frequently does the company engage external search consultants to assist in identifying and shortlisting candidates for director positions?**

As of the latest report, the Board is of the view that its current composition and size is appropriate for the nature and scope of the Company's operations, while facilitating effective decision making for the existing needs of the Group's businesses.

No external search consultants were engaged during the financial year in review as no new directors were being appointed.

- iii. **Does the NC consider personal networks and recommendations from current directors and management as sources for potential director candidates? If so, how does the NC ensure that the use of personal networks does not compromise the diversity and independence of the board?**

The selection of director candidates is based on selection criteria determined in consultation with the Board.

The NC verifies that potential director candidates maintain a strong independent element that would not compromise their objectivity while carrying out their responsibilities. This includes assessing factors such as financial ties, past associations, business dealings, shareholder representation, financial dependence, and current or past relationship(s) with the company and/or its management.

Candidates will then be selected based on the requisite skills, expertise, independence and experience to add to the diversity of the Board and to support the Group's strategies and vision.

To ensure independence of the Board, the NC conducts annual reviews based on the 2018 Code and the Listing Rules and is guided by the Board Diversity Policy.

**On 11 January 2023, Singapore Exchange Regulation (SGX RegCo) announced that it will limit the tenure of independent directors (IDs) serving on the boards of listed issuers to nine years. This stemmed from recommendations by the Corporate Governance Advisory Committee (CGAC). There was broad market support for this change during the public consultation carried out by SGX RegCo.**

**Mr Tan Boon Gin, CEO of SGX RegCo, also noted that the limit on tenure of IDs provides an opportunity for companies to inject new skills, experience and knowledge into their boards, all of which will be invaluable in guiding the business for the long term.**

**Mr Tay Siew Choon, who was first appointed as an independent director in 2005, has served beyond nine years from the date of his first appointment.**

- iv. **Can the NC elaborate further on succession plan for the chairman?**

At the Company's AGM on 30 April 2021, Mr Tay Siew Choon was re-elected as an independent non-executive director of the Company via a two-tier voting process as specified in the SGX Listing Manual and he is eligible to continue as independent non-executive director of the Company until the AGM for financial year 2023 to be held in April 2024.

The NC annually reviews the succession planning of the Board and Management.

By order of the Board

Kevin Cho  
Company Secretary  
14 April 2023



**PAN-UNITED CORPORATION LTD**  
 (Company Registration No. 199106524G)  
 (Incorporated in Singapore)

**MINUTES OF 31ST ANNUAL GENERAL MEETING**

- Question and Answer Session

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**Q1 The Annual Report is in soft copy. Will the Company consider issuing hard copy Annual Report to its shareholders?**

A1 Issuing Annual Report in soft copy is one of the Company's initiatives for sustainability. The soft copy Annual Report is available on the Company's website. The Company will take into consideration shareholders' request when it issues its Annual Report next year.

**Q2 What is the return on equity and the Group's cash reserve?**

A2 The return on equity for FY2022 was 11.2%, which was an improvement from the last two years. Based on the total dividend declared for FY2022, the dividend yield was about 4.5% basing on the year end closing share price. Including the share buybacks, the total return to our shareholders was about 11%.

The cash reserve of the Company is shown on page 52 of the Annual Report. The Group had \$65.0 million cash and cash equivalents and \$54.0 million borrowings as at 31 December 2022. The Group was in a net cash position of S\$10.0 million, excluding lease liabilities, and the shareholders' reserve was at \$211.0 million.

**Q3 Refer to page 54 of the Annual Report, what is the nature of the foreign currency translation loss as well as fair value changes on derivatives?**

A3 The foreign currency translation loss relates to the Group's foreign based investments and assets in Malaysia, Vietnam and Indonesia. The fair value changes on derivatives arose from the forward exchange contracts which are used to hedge the Group's purchases denominated in United States dollars.

**Q4 The Annual Report cover shows the tagline "Decarbonising The World with Concrete". Can Management explain the meaning behind the tagline? What is the definition of "low-carbon concrete", "carbon-neutral concrete" and "carbon-neutral ready-mix concrete company" in the Group's sustainability goals?**

A4 The Group strongly believes in contributing to the decarbonisation of the world through its concrete products and the tagline is a simple way to resonate with it.

Under the Sustainability goals, "low-carbon concrete" is defined as more than 50% reduction in embodied carbon compared to 2005 levels. For "carbon-neutral concrete by 2040", based on current technology, it is impossible to have a net zero CO<sub>2</sub> emissions in our concrete products. The Group has to reduce CO<sub>2</sub> emission in our products as much as possible based on the available technology and the difference is to offset. "Carbon-neutral ready-mix concrete company by 2050" is relating to reducing our Scope 1 and Scope 2 emissions from our operations. As our CO<sub>2</sub> emissions is the highest from Scope 3 (materials and supply chains), we have prioritized to reducing our emissions from Scope 3, and defer our emissions reduction from Scope 1 and 2 to later years.



- Q5 Does decarbonisation strategy give the Group an edge over its competitors?**
- A5 Decarbonisation is the future, not only because it is important to climate change, but the behaviors of the customers and the owners are also changing. They are also keen to lower the carbon footprint of their products. We expect demand for low-carbon concrete products to grow.
- Q6 Is the price of low-carbon concrete higher than standard concrete?**
- A6 The price of low-carbon concrete is higher than standard concrete. However, the cost increase is insignificant to the total project development costs for developers and owners.
- Q7 Is the Group working with universities in Singapore to gain access to talents and facilities?**
- A7 The Group is widening its network with universities, startups and designers to find new technology. While the Group is the first to introduce the carbon mineralisation technology in Singapore, the Group will continue this journey. The Group will also continue to invest and look for new technologies to adopt.
- Q8 Cement is not manufactured by the Group. How will the Group reduce carbon footprint of cement?**
- A8 The Group substitutes Ordinary Portland Cement with other raw or cementitious materials that have lower CO<sub>2</sub> emissions and the Group also uses carbon mineralization technology, where it injects CO<sub>2</sub> into its concrete.
- Q9 Is the Group working with PPVC suppliers on the use of carbon capture and utilisation (CCU) technology?**
- A9 The Group will continue to supply concrete and cement to PPVC operators and these construction methods allow us to introduce low-carbon concrete technologies, including CCU, to reduce embodied carbon in the built environment.
- Q10 Is the Group compelled to divest PT. Pacific Granitama (PTPG) and will there be any significant impact?**
- A10 PTPG's mining licence will expire in November 2023. Under current regulations, to apply for a new licence, PTPG has to be 100% owned by Indonesian nationals. The divestment has minimum impact to the Group.
- Q11 Does the Group owns any quarries in Malaysia?**
- A11 The Group no longer owns any quarries in Malaysia.
- Q12 What percentage does the business outside Singapore contribute to the Group?**
- A12 The Group's business outside Singapore is about 10% of the Group revenue.
- Q13 Is the Group still having 40% market share in the sales of ready-mix concrete in Singapore?**
- A13 The sales volume for ready-mix concrete hovers around 40% of the Singapore market and the exact percentage fluctuates depending on the total market demand.