

MINUTES OF 27TH ANNUAL GENERAL MEETING

PLACE : Auditorium, Level 6, JEM Office Tower, 52 Jurong Gateway Road, Singapore 608550

DATE : 29 April 2019

TIME : 2.30 p.m.

SHAREHOLDERS / PROXIES PRESENT : Please refer to the Attendance Sheet.

DIRECTORS : Mr Ch'ng Jit Koon – Chairman and Independent Director
Mr Patrick Ng Bee Soon – Deputy Chairman
Ms Ng Bee Bee – Chief Executive Officer
Mr Cecil Vivian Richard Wong – Independent Director
Mr Tay Siew Choon – Independent Director
Mr Soh Ee Beng – Independent Director

CHAIRMAN

Mr Ch'ng Jit Koon, the Chairman of the Board, welcomed all present to the Company's 27th Annual General Meeting (AGM). Thereafter, the Chairman introduced the directors present at the AGM.

QUORUM

Having ascertained that a quorum was present, the Chairman called the Meeting to order at 2.30 p.m.

NOTICE OF MEETING

With the consent of the shareholders, the Notice of AGM dated 5 April 2019, was taken as read.

RESOLUTIONS TO BE VOTED BY POLL

The Chairman informed the shareholders that all proposed resolutions be voted on by poll pursuant to Article 58(A) of the Constitution of the Company.

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 invited the Scrutineer to explain the electronic poll voting procedures and how to use the voting handset devices.

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 2018 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 Shareholder A and seconded by Shareholder B.

Before the Chairman put the meeting to vote, the Chairman invited Ms Ng Bee Bee, Chief Executive Officer ("**Ms Ng**" or "**CEO**") to give an overview of the Group's strategies, vision and outlook.

After the presentation, the Shareholders were invited to raise questions on the Audited Financial Statements and the matters discussed are shown in the Appendix A to these minutes.

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

For		Against	
Votes	%	Votes	%
534,333,044	99.994	33,300	0.006

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 2018 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 \$0.008 per ordinary share (one tier tax exempt) for the year ended 31 December 2018. The final dividend, if approved by the shareholders, would be paid on 29 May 2019.

Before putting the resolution to vote, Chairman invited questions from the floor.

There being no questions, the motion duly proposed by the Chairman, Mr Ch'ng Jit Koon and seconded by Shareholder C, was put to vote by way of a poll.

The results of Resolution 2, taken on a poll, were as follows:-

For		Against	
Votes	%	Votes	%
533,791,844	99.948	277,700	0.052

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 \$0.008 per ordinary share (one tier tax exempt) for the year ended 31 December 2018 be approved.

3. RE-ELECTION OF DIRECTOR

- Mr Soh Ee Beng

Mr Soh Ee Beng, who was retiring under Regulation 88 of the Company's Constitution, had consented to continue in office.

On a proposal by Shareholder D, which was seconded by Shareholder E, the motion was put to vote by way of a poll.

The results of Resolution 3, taken on a poll, were as follows:-

For		Against	
Votes	%	Votes	%
531,088,445	99.687	1,666,299	0.313

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

IT WAS RESOLVED that Mr Soh Ee Beng be re-elected as a Director of the Company.

4. RE-ELECTION OF DIRECTOR

- Ms Ng Bee Bee

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

On a proposal by Shareholder F, which was seconded by Shareholder G, the motion was put to vote by way of a poll.

The results of Resolution 4, taken on a poll, were as follows:-

For		Against	
Votes	%	Votes	%
524,131,542	99.995	26,600	0.005

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

IT WAS RESOLVED that Ms Ng Bee Bee be re-elected as a Director of the Company.

5. RE-ELECTION OF DIRECTOR

- Mr Tay Siew Choon

Mr Tay Siew Choon, who was retiring under Regulation 89 of the Company's Constitution, had consented to continue in office.

On a proposal by Shareholder C, which was seconded by Shareholder H, the motion was put to vote by way of a poll.

The results of Resolution 5, taken on a poll, were as follows:-

For		Against	
Votes	%	Votes	%
530,080,945	99.686	1,670,199	0.314

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

IT WAS RESOLVED that Mr Tay Siew Choon be re-elected as a Director of the Company.

6. DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019

The Board had recommended the payment of Directors' fees of S\$472,055.00 for the financial year ending 31 December 2019.

On a proposal by Shareholder C, which was seconded by Shareholder D, it was put to vote by way of a poll.

The results of Resolution 6, taken on a poll, were as follows:-

For		Against	
Votes	%	Votes	%
495,705,757	99.976	120,750	0.024

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\$472,055.00 for the financial year ending 31 December 2019 be approved for payment.

7. RE-APPOINTMENT OF AUDITOR

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

The motion which was duly proposed by the Chairman, Mr Ch'ng Jit Koon and seconded by Shareholder I, 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	%
533,650,644	99.877	655,600	0.123

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

IT WAS RESOLVED that Messrs 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.

8. GENERAL AUTHORITY TO ISSUE SHARES

The following motion which was duly proposed by Shareholder C and seconded by Shareholder H, 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	%
532,285,044	99.633	1,958,250	0.367

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 Companies Act, Cap. 50 (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 which are outstanding or subsisting at the time this Resolution is passed; and
 - ii any subsequent bonus issue, consolidation or subdivision of Shares;
- 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.

9. RENEWAL OF THE SHARE BUYBACK MANDATE

The following motion which was duly proposed by Shareholder I and seconded by Shareholder J, was put to vote by way of a poll.

Before putting the motion to vote, Chairman invited questions from the floor.

Following the matters discussed as shown in the Appendix A to these minutes, the motion was put to vote by way of a poll.

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

For		Against	
Votes	%	Votes	%
527,992,345	98.811	6,351,349	1.189

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 after such five (5) Trading Day period);

“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 5 per centum (5%) 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.

ANY OTHER ORDINARY BUSINESS

The Chairman informed the Meeting that the Company did not receive any notice of any other ordinary business to be transacted at the Meeting.

CONCLUSION

There being no other business, the AGM concluded at 3.51 p.m. and the Chairman thanked the shareholders for their attendance.

Confirmed as a true record of proceedings

**CH'NG JIT KOON
CHAIRMAN**

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

MINUTES OF 27th ANNUAL GENERAL MEETING

- Question and Answer Session

RESOLUTION 1 – Adoption of Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2018, together with the Auditor’s report

Comment/question from Shareholder K

Q1) **Shareholder K:** Noted that the total revenue from Concrete & Cement (“**C&C**”) segment had increased from S\$527.67 million in 2017 to S\$545.71 million in 2018. However, profit after tax and minority interest (“**PATMI**”) had decreased from S\$8.74 million in 2017 to S\$8.53 million in 2018. What caused the decrease in PATMI?

A1) **CEO:** The decrease in PATMI is mainly due to the higher depreciation arising from the new slag grinding plant in Malaysia as well as new batching plants in Singapore.

Q2) **Shareholder K:** Noted that the “Others” segment relates to companies which are of investment holding nature. What are covered under this segment?

A2) **CEO:** The “Others” segment covers the Company’s corporate expenses such as listing fees, some parts of the investment properties, our office premises at Suntec building, manpower, IT costs and the Group’s investment in the coal mine, which the Group has a 10% stake in.

Q3) **Shareholder K:** Noted that the PATMI of the “Others” segment had been decreasing year on year. What is Management’s plan for this segment?

A3) **CEO:** The decrease in PATMI of the “Others” segment was mainly due to the one-off expenses arising from the re-branding of the Group’s corporate identity and celebration of the Group’s 60th anniversary. Management expected that an improvement of the “Others” segment back to 2017 level.

Q4) **Shareholder K:** With regard to the C&C division, what is the volume and selling prices of the Ready Mixed Concrete (“**RMC**”) for the first quarter of 2019 as compared to the last quarter of 2018.

A4) **CEO:** According to information released by the Building and Construction Authority (“**BCA**”), the volume for RMC up to February 2019 was just slightly higher as compared to 2018. The selling price is expected to be higher in 2019 as compared to the last quarter of 2018.

Q5) **Shareholder K:** Recalled that the Group had a Tug and Barge business. How is it?

A5) **CEO:** The Tug and Barge business, which formed part of the Group’s Shipping division, was divested in 2016.

Q6) **Shareholder K:** What is left of the Shipping division?

A6) **CEO:** The Trading division is doing coal trading and we charter third-party vessels to carry the coal.

Comment/question from Shareholder L

Q7) **Shareholder L:** Enlightened to see that Management had taken significant steps forward in evolving beyond brick and mortar in the building materials business to become a highly digitalised organisation focused on concrete innovation and created a unique range of over 300 specialised concrete products, improving the Group's competitive edge in the market.

Understand that Management intends to license the specialised concrete products to the market. What are Management's plans to ensure that these intellectual properties are well protected and not to be replicated by other RMC companies?

A7) **CEO:** Each of the concrete products is highly specialised and consists of a variety of unique materials and attributes that is not easily replicable. In order to apply these specialised concrete products in a project, the project team has to work closely with the customers to understand the existing local materials used and how these complement and affect the end product.

Management has been selective in partnering with reliable RMC companies. Given that majority of companies do not have an Innovation Centre similar to us, the results will not be consistent without the technical know-how.

In addition, the Group had rolled out a digital logistics platform known as AiR (Artificial Intelligence for Ready-mix concrete). AiR employs Internet of Things, data analytics machine learning, artificial intelligence and cloud technologies to manage the entire spectrum of the RMC business. With AiR, customers and partners are allowed access to the platform and use it as long as they are engaged with the Group.

Q8) **Shareholder L:** Viewed that the Group's partners and competitors are able to replicate the specialised concrete products with sufficient research and urged that Management consider tightening the control over such intellectual properties to maintain the Group's edge over market.

A8) **CEO:** Management had considered various aspects of managing the intellectual properties and had established controls to safeguard them and thanked the shareholder for his comment.

Comment/question from Shareholder M

Q9) **Shareholder M:** Was attracted to the Company's dividend yield and decided to invest in the Company. Is the Company looking at paying more dividends going forward?

A9) **CEO:** Management is unable to comment on dividends payable going forward. However, Management hope that the Group could achieve better results and in return, will reward the shareholders for their confidence in the Company.

Comment/question from Shareholder N

Q10) **Shareholder N:** Congratulated the Board on the Company's 60th year anniversary. Being a shareholder for almost 10 years, appreciated that the Company had been continuously creating value for shareholders and keeping the shareholders' interest in mind.

Can Management elaborate on the recovery of the RMC prices as compared to the previous year and going forward?

A10) **CEO:** According to information released by BCA, RMC selling price had increased by approximately 5% as at 31 December 2018 as compared with 31 December 2017. The increase was mainly due to higher raw material costs, and is expected that this trend will continue based on the information available.

Q11) **Shareholder N:** Noted that the Government recently announced the increase in investments in integrated resorts (IRs) scheduled to be completed around 2025. Based on your experience of the two IRs constructions back in 2007/2008, how will the IR expansion contribute to the increase in demand for raw materials and consequently, the price of RMC?

A11) **CEO:** The construction of the two integrated resorts in 2007 to 2009 resulted in higher construction activities and demand of raw materials. The RMC selling price improved also in 2007. Those were the days when the price of RMC was high.

Viewed that the construction and infrastructure are still very relevant in Singapore. With the forecasted increase in construction demand in Singapore for 2019 by BCA, Management continues to expect a steady pipeline of major infrastructure projects for the Group in Singapore.

Q12) **Shareholder N:** How is Management planning to engage the Group's competitors and convince them to partner with the Company in using the AiR platform?

A12) **CEO:** Management has started marketing the AiR platform to other concrete and logistics companies in the region. The Group has received positive interest from them. The AiR platform, being a cloud-based system, is scheduled to be updated every six months thus optimising user experience regularly.

Comment/question from Shareholder O

Q13) **Shareholder O:** With reference to page 45 of the Annual Report, noted that the Group's gross trade receivables amounted to S\$150.1 million, representing 34.4% of the Group's total assets. Will Management be able to recover this amount?

A13) **CEO:** The trade receivables of S\$150.1 million is from the annual revenue of S\$863.5 million in the year. However, the Group has made allowance for expected credit losses of S\$5.1 million. The balance is expected to be recoverable.

RESOLUTION 9 – Authority to issue shares

Comment/question from Shareholder K

Q14) **Shareholder K:** As the Company's share price had fallen, hoped that the Company make use of the authority granted to the Directors to buy back the Company's shares which will result in a higher share price.

A14) **Chairman:** Thanked the shareholder for his suggestion.

Comment/question from Shareholder N

Q15) **Shareholder N:** Understand that the Company buys back its shares and reissue these shares to the Directors as share options. Please clarify.

A15) **CEO:** The last time the Company bought back its shares was in 2014. The shares which were bought back have been kept as treasury shares. These treasury shares can be used pursuant to the share option scheme for the eligible persons. This will not dilute the shareholders' shareholdings in the Company.

Q16) **Shareholder N:** Noted that the Company holds 1,110,000 treasury shares as at 8 March 2019. Does this include the 450,000 options granted to directors in November 2018?

A16) **CEO:** the 1,110,000 treasury shares do not include the 450,000 options granted to the directors in November 2018.

Q17) **Shareholder N:** Are these 450,000 shares issued by the Company?

A17) **CEO:** Share options are options granted to eligible persons to purchase shares and they will remain as options until they are exercised.

Q18) **Shareholder N:** Viewed that the Company's cash flow should be quite healthy going forward. Are there any major capital expenditures for the year?

A18) **CEO:** The Company has small routine capital expenditures during the year, in particular, for Singapore and Vietnam. However, no significant capital expenditure is expected during the year.

Q19) **Shareholder N:** Has the Board considered cancelling the treasury shares?

A19) **CEO:** There is no discussion on this matter.

Comment/question from Shareholder L

Q20) **Shareholder L:** Viewed that buying back the Company's shares and granting of share options are contradicting to each other which will result in manipulation of share price.

A20) **CEO:** The Company has been granting share options to eligible persons shortly after announcing the 3rd quarter results in November consistently. The granting of share options has not been timed to the share price as at the time of grant.