

PUC in SPA deal to raise stake in Changshu Xinghua Port for S\$100.98m

- ◆ **Additional shares in CXP's holding company SCDC will lift effective stake from 51.3% to 85.5%**
- ◆ **Shares will be acquired from Macquarie International Infrastructure Fund**
- ◆ **Reports 1HFY13 PATMI of S\$20.3 million; maintains interim dividend at 1.5 cents**

SINGAPORE ◆ 14 August 2013

For immediate release

Pan-United Corporation Ltd (PUC, the Group or 泛联集团), an integrated logistics and resource development group in Asia, has taken a major step forward to expand its Port & Logistics division and boost overseas revenue by raising its stake in Changshu Xinghua Port Co., Ltd (CXP), a leading cargo and logistics hub for the Yangtze Delta region.

The Group, through a wholly owned subsidiary, Pan-United Infrastructure Pte Ltd (PUI), currently has an effective 51.3% stake in CXP, which ranks among China's top 10 river ports and serves as one of its foremost hubs for logs and pulp & paper cargoes.

Under the sale and purchase agreement (SPA) inked with Macquarie International Infrastructure Holding Limited (MIHL), which is wholly owned by Macquarie International Infrastructure Fund Limited (MIIF), PUI will acquire 18 million shares in Singapore Changshu Development Company Pte Ltd (SCDC) for S\$100.98 million in cash. As SCDC owns 95% of CXP, the proposed acquisition will lift PUC's effective shareholding in the multi-purpose port from 51.3% to 85.5%.

Under the SPA, Petroships Investment Pte Ltd, an existing shareholder of SCDC, will acquire the balance 2 million shares from MIHL for S\$11.22 million, which will increase its effective stake in CXP to 9.5%. The Chinese local government, through Jiangsu Changshu Economic Development Group, remains a shareholder with its 5% share in CXP. Completion of the SPA is conditional upon the approval of the shareholders of MIIF.

Mr Patrick Ng (黄健华), PUC's Deputy Chairman, said: "CXP is at a unique location, strategically located at the river mouth of the Yangtze River. Coupled with its deep waterfront and land area of 1.0 sq km, it provides greater flexibility to our port users as

trade volumes for general cargoes like pulp and logs increase. Raising our stake in CXP increases the Group's foreign-sourced income and earnings.”

This initiative to bolster the Port & Logistics division is in line with plans to build up revenue streams, increase market share and spur growth across the region. PUC intends to fund its S\$100.98 million purchase by internal funds and external financing.

PUC, a major supplier of ready-mixed concrete (RMC) in Singapore, also reported its results for the six months ended 30 June 2013 (1HFY13) today.

Group revenue rose 4% to S\$357.0 million on strong sales of RMC in 1HFY13, although this was partly offset by lower trading activities of its Shipping division. The Port division, on the other hand, maintained a healthy level of cargo volume and revenue.

PUC's net attributable profit (PATMI) of S\$20.3 million in 1HFY13 included a S\$2.2 million provision for doubtful debt due from Alpine Bau GmbH, one of the main contractors of the LTA Downtown Line 2 project which has filed for insolvency. Excluding this as well as the S\$2.2 million gain from vessel sales in 1HFY12, the Group's core PATMI of S\$22.5 million in 1HFY13 would have been 10% higher year-on-year.

The Group will also be rewarding shareholders an interim dividend of 1.5 cents a share, same as last year.

ABOUT THE COMPANY

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

Pan-United Corporation Ltd (PUC) is one of Asia's modern and dynamic enterprises. The Group has an integrated building materials resource business, and owns and operates Changshu Xinghua Port (CXP) in China's high-growth Yangtze River Delta region.

Its Basic Building Resources (BBR) division is the largest cement and ready-mixed concrete (RMC) supplier in Singapore and one of the leading quarry operators in Southeast Asia. This highly integrated building materials resource arm produces and supplies basic building materials, namely cement, aggregate products, RMC and refined petroleum products, to major public infrastructure and private sector projects in Singapore. In 2011, the division expanded its operations into Vietnam to manufacture RMC and supply it to local construction projects.

The Shipping division has specialised in bulk cargo transportation for more than 30 years. Its fleet of young tugboats and barges, which ply Southeast Asia, has enabled it to build up a strong track record as a reliable mover and supplier of natural resources such as coal, gypsum, sand and aggregates.



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Since 1997, PUC's multi-purpose port in Changshu has driven its Port & Logistics division, and has grown rapidly to become one of China's top 10 river ports as well as a leading hub for steel, logs and pulp & paper cargo. The modern and efficiently managed CXP has a total berth length of 1.7 km that can handle vessels of up to 100,000 dwt. It provides value-added services such as cargo handling, stevedoring, warehousing and third-party logistics.

FOR FURTHER ENQUIRIES

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