Pan-United Corporation Ltd
7 Temasek Boulevard
#16-01 Suntec Tower One
Singapore 038987
Tel (65) 6305 7373
Fax (65) 6305 7345
panunited.com.sg

For immediate release

PAN-UNITED REPORTS STABLE FY2016 RESULTS AMID CHALLENGING ENVIRONMENT, PROPOSES UNCHANGED FINAL DIVIDEND OF 2.75 S CENTS FOR FY2016

- *Lower contributions from C&C division mitigated by stable contributions from ports*
- *PATMI (continuing businesses) remained resilient at S$24.1 million in FY2016*
- *Divestment of loss-making tugs and barges business completed in December 2016*
- *29% improvement in operating cash flows due to prudent working capital management and cost controls*

SINGAPORE, 9 FEBRUARY 2017 – Pan-United Corporation Ltd ("PanU", "泛联集团" or the "Group") today announced its financial results for the full year ended 31 December 2016 ("FY2016"). The Group reported a total revenue of S$704.3 million, down 12% year-on-year ("yoy"), on the back of challenging industry conditions.

FINANCIAL HIGHLIGHTS						
In S$ million except otherwise stated	4Q2016	4Q2015	Change (%)	FY2016	FY2015	Change (%)
Revenue	**176.8**	**197.5**	**(10)**	**704.3**	**803.7**	**(12)**
EBITDA (from continuing operations)	**14.0**	**14.6**	**(4)**	**68.9**	**70.7**	**(3)**
PATMI (from continuing operations)	**4.5**	**3.5**	**28**	**24.1**	**24.2**	**(0.2)**
EPS (S cents)	**0.8**	**0.6**	**33**	**4.3**	**4.3**	**-**

In light of the aforementioned, and factoring in the divestment of the tugs and barges business in December 2016, PanU reported comparable profit after tax and minority interests ("PATMI") (from

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continuing businesses) of S$24.1 million in FY2016. Correspondingly, the Group will be proposing a final dividend per share of 2.75 S cents for FY2016.

Continued pressure on C&C revenues; supported by stable Ports business

The Concrete & Cement ("C&C") division posted lower revenue of S$577.6 million in FY2016, down by 14% as compared to SS$668.4 million the year before, on the back of continued pressure on the demand and prices of ready-mixed concrete ("RMC") and cement in Singapore. Competition and lower raw material costs continue to weigh on RMC prices. Notwithstanding a difficult environment, the division remained profitable at S$10.7 million, backed by stronger results from its overseas RMC operations.

Operations at the Ports division remain stable, reporting a total revenue to S$91.9 million and a 1% increase in net profit to S$19.6 million for the full year. In addition, the division registered higher throughput growth in key cargoes such as high-value finished steel products, pulp & paper, and logs, due to focused marketing strategies and targeted long-term customers.

Ms May Ng (黄美美), the Group's Chief Executive Officer, said: "2016 was not an easy year for PanU, particularly in Singapore. To fortify our fundamentals and earnings against future adverse market conditions, we remain committed in pursuing further cost improvement initiatives.

We continue to streamline our vertically integrated C&C businesses to capture value, while identifying higher margin segments to capitalise on our specialised product offerings. We will also continue to invest in innovation and new technologies. Our strong brand name provides significant impetus to our regional expansion plans.

In the Ports business, we are well-positioned as an integrated logistics hub port serving sizeable markets in the Yangtze Delta region. We will continue to tap on the strategic location of our ports, and work towards developing a niche in higher margin key cargo segments, such as project cargoes. This aligns with our business strategy to create diverse and sustainable income streams for the business."

Outlook

C&C

According to BCA's Development Plans Survey conducted in October/November 2016, total construction demand (excluding reclamation works) is expected to reach between S$28 billion to S$35 billion in 2017, and could potentially hit S$35 billion if all major projects were to proceed according to the estimated award schedules as reported by public agencies and private developers.

However, though overall construction demand is expected to increase, RMC and cement prices are expected to remain soft in the near term due mainly to lower raw material costs.

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Nonetheless, due to its strong operating track record and product innovation capabilities, PanU expects to remain well poised to benefit from the increase in construction demand. In 2017, the division is also expected to remain busy with RMC supply contracts on hand for projects including development works for Changi Airport Terminal 5, the Thomson-East Coast MRT Line, the Jewel mega-complex at Changi Airport, new healthcare facilities and public housing projects.

PanU's regional expansion continues. In Vietnam, the PanU brand has earned high regard for reliability and consistent quality from supplying to iconic projects in Ho Chi Minh City such as Saigon Centre, Landmark 81 and The One. In Malaysia, its new slag grinding plant in Johor will commence operations in 2017.

Ports

China is expected to face slower growth in cargo traffic in 2017 due to the restructuring of the economy away from industrial production to consumer-oriented services. Existing port owners and operators are also expected to face greater competition due to the development of the other major port zones in China.

However, the expected slowdown in growth is expected to be mitigated by the strategic location of PanU's ports along the Yangtze River, which cuts through six major industrial provinces and two Special Administrative Regions. Serving both as an international and transshipment port, the Group will be able to tap on strong import trade flows, keeping cargo throughput levels at steady levels. The Group also plans to expand its market share in higher-margin specialised cargo types, as part of its efforts to develop a diversified and resilient earnings stream.

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This press release should be read in conjunction with Pan-United Corporation's Fourth Quarter and Full Year ended 31 December 2016 Financial Statements and Presentation Materials released via SGXNET on 9 February 2017.

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ABOUT THE GROUP

Pan-United Corporation Ltd ("PanU", "泛联集团" or the "Group") is an Asian multinational corporation focused on Concrete & Cement (C&C) and Ports. Its operations span five countries with a staff count in excess of 1,700 people. Trusted for consistently delivering quality products and reliable services to customers for over 50 years, PanU thrives on innovation, operational excellence and long-termism.

Concrete & Cement

PanU is Singapore's largest supplier of ready mixed concrete ("RMC"), supplying over 40% of the RMC requirements, and cement. These businesses are vertically integrated with aggregate quarrying and logistics services to maximise on the value chain. PanU is also one of the top two RMC suppliers in Asia (ex-China), in terms of in-country market share and volume, with a growing footprint in Indonesia, Malaysia and Vietnam. It is committed to creating sustainable solutions for its customers, by harnessing innovation and cutting-edge technologies to develop quality concrete products that are safe and environmentally-friendly.

Ports

PanU's Xinghua Port Group in China has built up strong trust in providing vital integrated logistics hub services from its ports in Changshu City. Counted among China's top ten river ports, they serve as the hub for import cargoes such as pulp and logs for robust domestic markets, and exports of high-value finished steel products and equipment. The ports' strategic location on the Yangtze River Delta is a key competitive edge, both as an international port and as a cargo transshipment gateway for eastern and central China.

For further enquiries, please kindly contact:

Michelle Tan	**NEWGATE COMMUNICATIONS** +65 6532 0606 michelle.tan@newgatecomms.com.sg
Laura Ng	**PAN-UNITED CORPORATION LTD** +65 6305 7392 laura.ng@panunited.com.sg

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